

## What's News

### Business & Finance

- ◆ **Opening statements** were made in federal court in Virginia in the Justice Department's case alleging Google has an unlawful grip on the market for software used to buy and sell digital ads, known as ad-tech. **A1**
- ◆ **Norfolk Southern CEO** Alan Shaw is expected to depart the company as soon as this week amid a board investigation into an alleged relationship he had with an employee at the railroad, according to people familiar with the matter. **B1**
- ◆ **Apple introduced** a new generation of iPhones that put AI at the forefront of the device's operating system, a test of consumer appetites for such tools. **B1**
- ◆ **More than 11 million** DirecTV subscribers missed out on ESPN's telecast of the season's first "Monday Night Football" game as a contract dispute with Disney entered its second week. **B1**
- ◆ **Givenchy has hired** British fashion designer Sarah Burton, previously the design head of Alexander McQueen, as its new creative director. **B1**
- ◆ **U.S. discount retail chain** Big Lots filed for bankruptcy and agreed to sell its business to an affiliate of private-equity firm Nexus Capital Management. **B3**
- ◆ **Activist investor Starboard** Value said News Corp should eliminate its dual-class share structure, saying it gives too much influence to the family of Rupert Murdoch. **B3**
- ◆ **U.S. stocks recouped** some of last week's losses with the Dow, S&P 500 and Nasdaq each rising 1.2%. **B11**

### World-Wide

- ◆ **Harris and Trump** will clash Tuesday evening on the debate stage, creating the presidential campaign's biggest moment since Harris replaced Biden as the Democratic nominee. **A1**
- ◆ **Emergency appeals** have inundated the Supreme Court during its summer break, especially challenges to new Clean Air Act standards. **A3**
- ◆ **Diversity is down** at some of the nation's most selective colleges this fall after the Supreme Court ruling barring schools from explicitly considering race in their admissions decisions. **A3**
- ◆ **Tropical Storm Francine** was expected to drench the Texas coast before hitting Louisiana as a hurricane. **A4**
- ◆ **Jailed ex-movie mogul** Harvey Weinstein underwent emergency heart surgery. **A4**
- ◆ **The Syrian government** accused Israel of launching missile strikes at its territory that killed 16 people, deepening tensions between the two countries. **A6**
- ◆ **Former ECB President** Draghi delivered his prescription for jump-starting Europe's economy and strengthening its defense industry. **A7**
- ◆ **Catherine, the Princess of Wales**, said she had completed her chemotherapy and would resume a light program of royal duties. **A7**
- ◆ **Former Canadian fashion mogul** Peter Nygard was sentenced in Toronto to 11 years in prison for sexually assaulting four women. **A7**
- ◆ **Died: James Earl Jones**, icon of stage and screen, 93. **A3**

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## The Faithful Greet Pope in East Timor



**WARM WELCOME:** Catholic faithful take shade under the colors of the Holy See as they wait to welcome Pope Francis in Dili on Monday. The pope's arrival in the East Timor capital opens the third leg of his trip through Southeast Asia and Oceania.

## System Built by U.S. Allowed Iraq Banks to Wire Funds to Iran

By DAVID S. CLOUD

Ali Ghulam was the undisputed dollar king of Iraq for almost a decade. His three Baghdad banks wired tens of billions of dollars outside the country, ostensibly for car parts, furniture and other imports. He was one of the biggest operators in an ad hoc banking system set up around two decades ago under the U.S. occupation that gave the Federal Reserve Bank of New York a key role in processing Iraq's international transactions. Years later, when the Fed be-

gan looking closely at where the money was going, it shut him down almost overnight. U.S. officials suspect his banks were among more than two dozen Iraqi banks involved in funneling dollars to Iran and its militia allies, using front companies and falsified invoices to circumvent sanctions that block Iran from the global financial system. Audits of Ghulam's banks completed in May, reviewed by The Wall Street Journal, reveal extraordinary details of overseas dollar transactions that auditors said raised money-laundering

concerns. Ghulam, in interviews, denied the allegations. As much as 80% of the more than \$250 million in dollar wire transfers flowing through Iraqi banks overall on some days were untraceable and some portion of that amount went secretly to Iran's Islamic Revolutionary Guard Corps and the anti-U.S. militias it supports, according to U.S. officials. A top U.S. Treasury official told Iraqi officials at a Baghdad meeting in January that Iraqi banks "deliberately exploited" their access to U.S. dollars to support the Quds Force, a para-

military arm of the IRGC, and also militia groups operating in Iraq that the Iranian government backs. The militias were involved in "ongoing attacks" on U.S. forces, including some that have caused casualties, Brian Nelson, under secretary of the Treasury for terrorism and financial intelligence, told Central Bank of Iraq officials at the meeting, according to U.S. officials familiar with the discussions. The U.S. has taken action to block the suspected Iraqi banks from using the Fed system to

*Please turn to page A8*

## Gangs in India Help Exam-Takers Cheat

By VIBHUTI AGARWAL

NEW DELHI—This year, hundreds of students were bused in for an overnight stay at the Nature Valley Resort, a mid-budget hotel just outside India's capital. There wasn't much partying or communing with nature. Instead, the students pored over an exam paper at which they had each paid about \$15,000 to \$20,000 to have an advance peek. Now, many of the people who planned and hosted that cheating holiday have been arrested. Police have filed a 900-page indictment against at least half a dozen suspects—including a police officer with advance access to the exam paper—for gaming an exam to

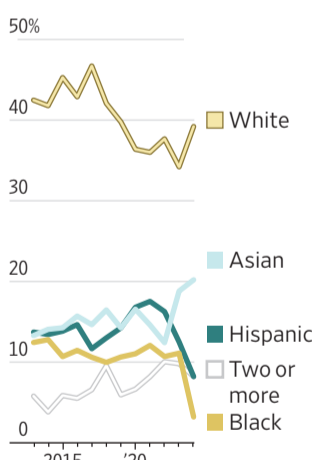
recruit thousands of officers. India is facing an epidemic of cheating in college-entrance and job-recruitment exams, as the sheer number of people competing for a tiny pool of opportunities creates a lucrative opportunity for people to help students gain an advantage, often at an enormous cost to their families. "It's a game of money. Whoever has money can get these question papers," said Vivek Pandey, an activist who helps students and their families file lawsuits over exam cheating. "The deserving candidates feel shattered and demoralized." The money charged for access to exam papers means that even if just a few thousand students cheat on an exam, cheat-

*Please turn to page A6*

## Diversity Falls On Campuses

Several colleges are seeing sharp declines in enrollment among racial minorities. **A3**

Share of first-year students at Amherst College



Sources: Education Department (2013-2023); the school (2024)

## New Antitrust Trial Puts Google Back In the Crosshairs

By JAN WOLFE AND MILES KRUPPA

ALEXANDRIA, Va.—It is a rare day when a company faces a federal-government lawsuit alleging it is illegally monopolizing the marketplace. Google is facing the second such case in less than a year, placing unprecedented U.S. legal pressure on the search giant. U.S. District Judge Leonie Brinkema heard opening statements Monday in the Justice Department's case alleging Google has an unlawful grip on the market for software used to buy and sell digital ads, known as ad-tech.

The trial, expected to last four weeks, is taking place in Northern Virginia, across the Potomac River from where a federal judge in Washington ruled last month that the Justice Department proved its claims that Google was using illegal tactics to preserve its dominance in search. The judge in the search case now must decide how to remedy Google's antitrust violations, which could mean limiting its ability to pay web browsers and phone manufacturers to be their default search engine. If the company also loses in Virginia, the

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## 'No Politics': These Americans Avoid the Topic at All Costs

Those exhausted by heated discourse are retreating to apolitical havens

By CLARE ANSBERRY AND KRIS MAHER

In a heated election season, with global conflicts intensifying, news abounds. Some Americans are avoiding it at all costs. They are canceling subscriptions, deleting apps, silencing notifications and unfollowing rabble-rousers. Many want no part of Tuesday night's presidential debate or its fallout. Political discourse has infiltrated everything from the Sunday church service to afternoon football, and they have had enough. Even those with firm political views say they feign ignorance rather than join impas-

sioned discussions. It isn't, they say, that they are uninterested or uncaring about world events, but they are inundated by the sheer volume of news headlines. Deciding it is bad for their mental health, they are retreating or seeking apolitical havens. Cheryl's Amazingly Positive, No Politics Allowed, Interesting People Group, with 11,600 members, is one. "Not only do I not care who you voted for, in this group you aren't allowed to tell me," wrote creator Cheryl Obermiller, 66 years old, welcoming "fellow snowflakes" to post photos of flowers, funny road signs and tasteful jokes.

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## Zero-Day Option Bets Draw In High Rollers

By ALEXANDER OSIPOVICH

A popular, fast-paced trade has boosted the options market to record volumes in recent years. Now, Wall Street is looking to push it even further. Zero-day-to-expiration options let investors bet on whether a particular stock-market index will rise or fall by the end of the day. They have drawn an enthusiastic following among amateur investors, even as skeptics call them a form of gambling. They are sometimes known by the hashtag #0dte. So far, the #0dte boom has been limited to options tied to indexes such as the S&P 500 or Nasdaq-100. The next frontier could be options on stocks such as Tesla or Nvidia. Currently, options tied to individual stocks expire

weekly, on Fridays. To bring #0dte to single-stock options, exchanges would need to add new expirations for Monday through Thursday. Michael McCaskill, a 48-year-old day trader and volleyball-programs coordinator in Louisville, Ky., trades short-dated options in hopes of hitting the jackpot. He is intrigued by the prospect of more-frequent expirations on single-stock options. "The percentage gains are incredible," said McCaskill, who has previously made profitable bets on GameStop, Netflix and PayPal. "It's the short-dated options that give you that, whether it's weekly or daily." Financial-industry executives hope that rolling out daily expirations on single-

*Please turn to page A2*

## Harris, Trump Get Ready To Clash In Debate

The two candidates aspire to heighten contrasts before large TV audience

Vice President Kamala Harris and former President Donald Trump have never crossed paths in person. But they are about to collide on the debate stage.

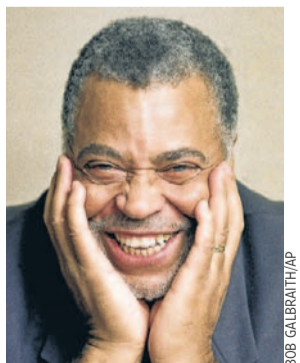
By Ken Thomas in Washington and Alex Leary in Philadelphia

The two candidates are set to clash Tuesday night in Philadelphia at the National Constitution Center, creating the campaign's biggest moment since Harris replaced President Biden as the Democratic nominee when he ended his re-election bid seven weeks ago. The debate hosted by ABC is expected to draw tens of millions of television viewers, and it comes as ballots have gone out in some battleground states and polls show the two rivals engaged in a tight contest—including in Pennsylvania.

For Harris, the event is an opportunity for the Democrat to make the case for her economic agenda, introduce herself to voters who still have a vague impression of her and reassure the electorate that she is ready to serve as commander in chief. She has been blunt when describing her expectations for her face-to-face with Trump, whose brash approach to debating often rattled prior election rivals. "There's no floor for him in

*Please turn to page A4*

## INSIDE



**OBITUARY**  
James Earl Jones, trailblazing star of stage and screen, was 93. **A3**

**SPORTS**  
NFL's new dynamic kickoff rule falls flat in first week of season. **A12**



# U.S. NEWS

# The Fallout if 2017 Income-Tax Cuts Expire

Most households would pay more, but impact varies and clock is ticking

WASHINGTON—When Congress cut taxes in 2017, it attached a ticking countdown clock that is approaching zero.

By Richard Rubin, Max Rust and Anthony DeBarros

If Congress doesn't act by the end of 2025, income taxes will go up for most households. An analysis by the Tax Foundation shows that, on average, taxes would rise in every single county in the country—urban or rural, wealthy or poor—but the amounts vary. The analysis doesn't speak to the median household's tax bill, but it shows how much more people in each area would be paying.

Lawmakers in both parties say they want to avoid these increases, which amount to hundreds of billions of dollars annually. Republicans want to extend all the expiring tax cuts, while Democrats want to keep the reductions for households making under \$400,000 a year.

The 2017 Tax Cuts and Jobs Act backed by then-President Donald Trump contained tax cuts—lower rates, a bigger standard deduction, a larger child tax credit, business tax breaks and relief from the alternative minimum tax. But it also contained tax increases, including the elimination of per-person exemptions, limits on itemized deductions and a \$10,000 cap on deductions for state and local tax payments.

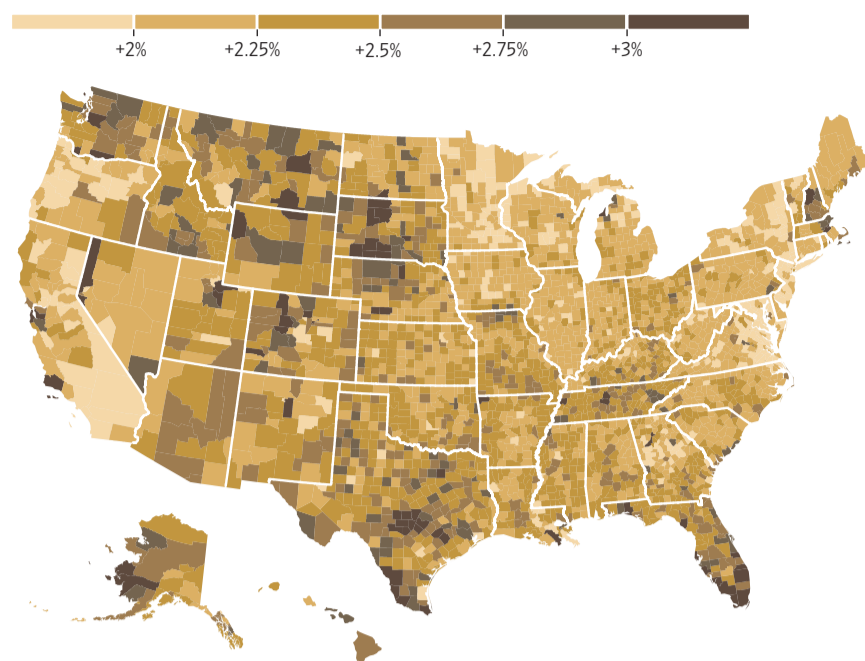
As a result, the size of each household's tax cut—or increase—depended on its income, family structure and location. The biggest winners included top earners in states without income taxes. Residents of high-tax states such as New York and New Jersey had smaller average tax reductions.

If the tax cuts expire, many of those effects would occur in reverse, and we can now start seeing what happens if it all goes away and what will be on the agenda for the next president and Congress in 2025.

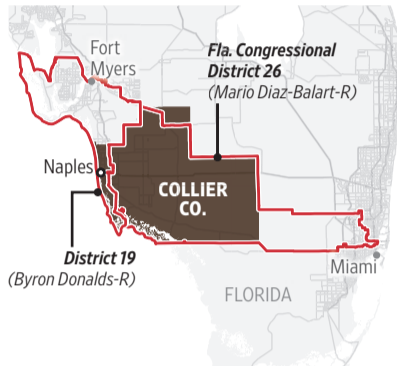
Using the estimates from the Tax Foundation—which favors lower rates and a simpler tax system—we can lay out the rough geographic differences from the tax law's possible expiration. The key measure we're using is average tax increase as a percentage of adjusted gross income, by county. It isn't a perfect metric but, in general, the bigger the number, the bigger the potential tax increase for households in that county.

Full expiration of the tax law isn't a likely outcome, but these estimates give a look at what's at stake in what could be a contentious multitrillion-dollar negotiation in 2025. In a closely divided Congress, these geographic differences could matter as lawmakers weigh their

Increase in taxes from an expiration of the 2017 tax cuts, as a percentage of income

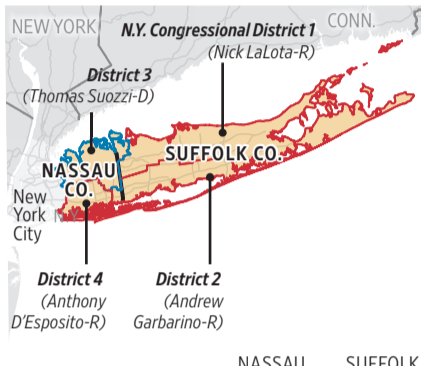


COLLIER COUNTY, FLA.: RETIREES AND RELOCATORS



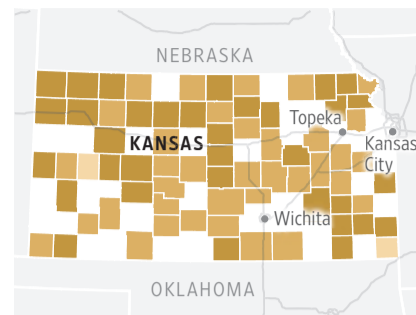
Population	404,310
Median household income	\$82,011
Average increase in taxes from expiration, as a percentage of income	+3.8%
2020 election	Biden 37.4% Trump 62.1%

LONG ISLAND, N.Y.: STATE AND LOCAL TAXES REIGN



Population	1,381,715	1,523,170
Median household income	\$137,709	\$122,498
Average increase in taxes from expiration, as a pct. of income	+1.6%	+1.5%
2020 election	Biden 54.3% Trump 44.7%	Biden 49.4% Trump 49.4%

RURAL KANSAS\*: LOWER INCOMES MEAN SMALLER HIT



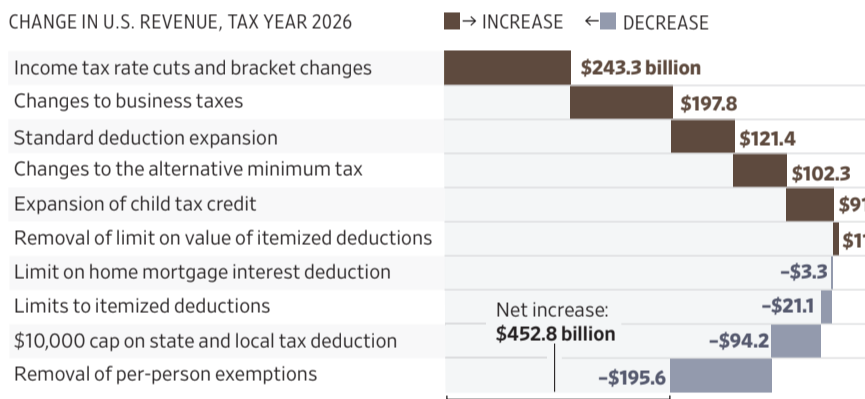
Population	763,636
Median household income (range)	\$47,041 to \$74,562
Average increase in taxes from expiration, as a pct. of income (range)	+1.78% to +2.38%
2020 election	Biden 26.3% Trump 73.7%

SAN FRANCISCO BAY AREA: HIGH SALARIES, BIG STAKES



Population	808,988	726,353
Median household income	\$136,689	\$149,907
Average increase in taxes from expiration, as a percentage of income	+3.9%	+3.6%
2020 election	Biden 85.3% Trump 12.7%	Biden 77.9% Trump 20.2%

### Components of tax law scheduled to expire:



party's broad tax-policy positions against provisions that have particular effects on their states and districts.

Here's a quick look at four places that stand out, including a high-tech hot spot, a retiree haven, a high-tax suburb and rural farm country.

### Bay Area

Households in the top 5% of the national income distribution would get some of the biggest tax cuts if Congress extends everything—and places with concentrations of

high-income workers would stand to lose if the tax cuts lapse.

That includes the Bay Area, where residents of San Francisco and San Mateo counties could experience some of the largest average tax increases, at 3.9% and 3.6%, respectively. In some cases, high-income households there would get relatively small tax increases if the law expires, because they are currently being pinched by the \$10,000 cap on state and local tax deductions if that continues. Others, however, are benefiting from the 2017

changes that cut marginal tax rates and narrowed the scope of the alternative minimum tax, a parallel levy that denies state and local tax deductions but has lower rates and tended to hit people making between \$200,000 and \$1 million before the 2017 changes.

"They're the workers that are driving the innovation economy that is really our golden goose," said Patrick Kallerman, vice president for research at the Bay Area Council Economic Institute, a policy group backed by many of the region's largest employers.

### Collier County, Fla.

The past few years have brought boom times to Collier County, Fla., along the Gulf Coast, a magnet for professionals and retirees.

The influx of Midwestern retirees is still happening, said George Wilson, an estate planner in Naples. But there is a new group—people from New York and New Jersey, many in their 50s and still working finance-industry jobs, who were looking to escape high state income and estate taxes and pandemic restrictions.

The cost of living is rising, and the county's toughest issues include the difficulty of attracting workers, many living outside Collier in more affordable places, said Kristina Park, CEO of the Greater Naples Chamber of Commerce.

Full expiration of the tax cuts would mean a tax increase of about 3.8% of adjusted gross income in Collier County.

Wilson said his clients are particularly focused on whether Congress will continue the increase in the estate-tax exemption, which roughly doubled in the 2017 law and now lets married couples shield more than \$27 million in assets from the levy.

### Long Island, N.Y.

The \$10,000 cap on state and local tax deductions is front and center in Nassau and Suffolk counties on New York's Long Island, where property-tax bills alone often easily reach that limit.

The region's representatives in Congress, regardless of party, agree that the cap should be raised or repealed, and they are likely to be a significant force in shaping the 2025 debate. Given Long Island's high housing prices, another limitation in the 2017 law is coming into play; taxpayers can deduct mortgage interest on the first \$750,000 of debt, down from \$1 million.

Residents of Nassau County (1.6%) and Suffolk County (1.5%) would still experience net tax increases if the law expires. But those figures are among the smallest in the nation, and some Long Island residents would be among the 9% of U.S. households that would pay less in taxes if the 2017 law expires.

### Rural Kansas

Residents of some lower-income rural Kansas counties would have some of the smallest tax increases in the country if the law expires.

For example, Scott County residents would experience a 1.8% tax increase and Ellis County would face a 2.1% tax increase, well below higher-income counties in the state and across the country. In many cases, lower-income households pay little or nothing in federal income taxes, so income tax cuts and expirations affect them less.

But unlike in New York, where opposition to the tax law is strong, Sen. Roger Marshall (R., Kan.) eagerly declares the 2017 law a success and wants to extend it.

"This is every bit as important to rural America as it is to urban America," he said, noting the benefits of faster write-offs for capital investment that were part of the law. Looking at households' tax cuts as a share of income, he said, misses the broader benefit of the law's benefits for small businesses that employ residents of his state.

## CORRECTIONS & AMPLIFICATIONS

In some editions Monday, a byline for Jason Gay was missing from the Sports column about the winner of the U.S. Open.

Readers can alert The Wall Street Journal to any errors in news articles by emailing [wsjcontact@wsj.com](mailto:wsjcontact@wsj.com) or by calling 888-410-2667.

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## Options Appeal to High Flyers

Continued from Page One  
 stock options can unleash a trading bonanza. But it would also pose new risks for investors, particularly for options that expire on days when a company reports earnings after 4 p.m. Eastern time. With daily expirations, many more options would expire the same day as large, after-hours price moves. Few companies report earnings on Fridays.

During the past year, brokers, exchanges and electronic-trading firms—including heavyweights such as Charles Schwab and Citadel Securities—have discussed the pros and cons of bringing the #0dte model to options on individual stocks, people familiar with the matter said.

In closed-door industry meetings, retail brokerages such as Robinhood Markets, Schwab, Tastytrade and Morgan Stanley's E\*Trade have advocated for a cautious approach, concerned they could face a customer backlash if investors' options trades blow up, the people said.



A Tesla showroom and a Nvidia platform. Some investors want to buy options on their stocks with zero day to expiration.

Other firms—including Susquehanna International Group, a huge options market maker, and Nasdaq—have actively promoted bringing daily expirations to single-stock options, the people said. Both market makers and exchanges stand to benefit from the volumes that could come from further growth in the #0dte phenomenon.

The earliest that #0dte might come to options on individual stocks is late 2025, the people said. Some proponents of the move have suggested a limited launch, covering options on just a small number of stocks initially, to give investors time to adapt.

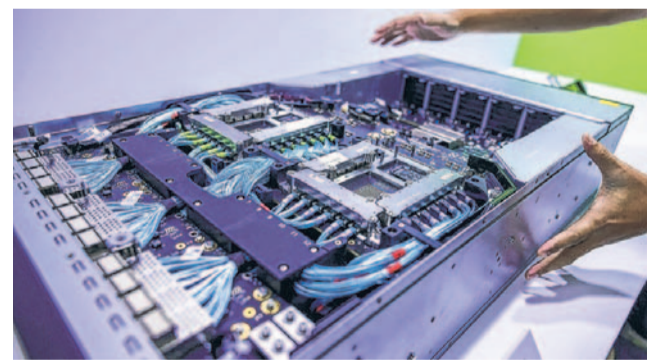
Options give investors the right to buy or sell stocks at a specific price—known as the "strike price"—by a stated expiration date. Once seen as a complex tool for sophisti-

cated traders, options have gained broader popularity among individual investors in recent years.

Part of the appeal is that options can be used to amplify bets. For instance, an investor who is bullish on Tesla might buy call options—giving the right to buy Tesla shares—with a strike price of \$240, above where the stock is currently trading. Such options are sensitive to moves in Tesla's share price, and they can generate big profits if Tesla stock climbs.

The options market has evolved over the years to offer more-frequent expirations, from quarterly to monthly to weekly and now, in some cases, daily.

The #0dte boom began in 2022, when Cboe Global Markets, the biggest U.S. options-exchange operator, expanded



A Tesla showroom and a Nvidia platform. Some investors want to buy options on their stocks with zero day to expiration.

its suite of S&P 500 options to have expirations five days a week.

When index options expire, they are settled with cash going in or out of an investor's brokerage account. In contrast, single-stock options are settled with purchases or sales of shares, creating potential pitfalls for investors.

In general, single-stock options are exercised automatically if they are "in the money" at 4 p.m. Eastern time—meaning that it would be profitable to buy or sell the stock at the strike price. So if the investor is holding a Nvidia call option with a strike price of \$124, allowing him or her to buy 100 shares of Nvidia, and the stock closes above that level, the option is exercised with a purchase at a price of \$124.

So the next time the inves-

tor checks his or her brokerage account, it will have \$12,400 less in cash and 100 more shares of Nvidia.

Normally, that would be a good trade. But if it had happened Aug. 28, when the chip maker released a highly anticipated quarterly earnings report, the investor would have taken a bruising.

That day, Nvidia closed at \$125.61. Minutes later, its earnings sent Nvidia shares tumbling in the after-hours market, before they reopened at \$121.36 the next morning. In that scenario, buying the stock for \$124 would no longer be attractive.

Savvy investors can avoid such an outcome by sending "do not exercise" instructions to their brokers. But brokerages vary in how easy it is to send such instructions and how late they can be sent.

U.S. NEWS

# Emergency Appeals Flood Into High Court

By Jess Bravin

WASHINGTON—Emergency appeals have inundated the Supreme Court during its summer break, especially a flood from the energy industry and Republican-led states seeking to block new Clean Air Act standards from taking effect while lawsuits against the rules proceed in lower courts.

The filings—more than a dozen so far, accompanied by thousands of pages of court papers—are a byproduct of the high court’s willingness in recent years to intervene early in lower-court litigation through emergency orders, often at the request of conservative interests, through a process that some call the shadow docket.

Under the court’s normal processes, it has been hearing about 60 cases a year, which it decides over many months after reviewing the trial record, full briefing and oral argument. The court’s emergency docket is less visible.

Litigating parties, particularly in cases about challenged government regulations, fight intensely about what rules should be in place while a lawsuit plays out. The justices usually receive abbreviated briefings and rule on such requests without much, if any, explanation. But the answers the court provides can have immediate practical ramifications.

In the past few months alone, the emergency docket has included cases on major policy questions such as student-loan relief, sex-discrimination rules in educational institutions and voter-registration procedures in Arizona.

But the issue dominating the emergency docket recently has been air pollution. Industry and its political allies are challenging several regulations the Environmental Protection Agency published in May, including a rule that would require power plants to lower greenhouse-gas emissions by up to 90% through the use of carbon-capture technologies.

Because most of the rules won’t take effect for years, critics question the need for high-court intervention so soon.

“Where’s the emergency? The carbon-capture obligations don’t kick in until 2030 and 2032,” said David Doniger, a senior attorney with the Natural Resources Defense Council, one of several environmental groups and Democratic-led states that have intervened in the cases to support the EPA. Industry “is trying to get the Supreme Court to jump in and stop things even before they have been properly litigated in the normal order in the lower courts,” he said.

Oklahoma Attorney General Gentner Drummond, a Republican leading a 23-state coalition against new limits on methane emissions, says the EPA gave his state two years to develop its own regulations expanding oversight to 200,000 oil wells and other facilities in the 2030s from the 10,000 currently covered. If the state fails to do so, the EPA can step in with its own plan.

Drummond says it is impossible for his state to comply. “I don’t need to wait until May of 2026 to say, ‘Oh, by the way, it’s an emergency.’ I know it now, and that’s why we’re proceeding as aggressively as we can,” Drummond said.

In July, the U.S. Court of Appeals for the District of Columbia Circuit declined to block any of the regulations during the litigation, although a three-judge panel set an expedited schedule for the carbon-capture case.

The court still denies many emergency applications. Last week, for instance, over the objection of Justices Clarence Thomas, Samuel Alito and Neil Gorsuch, the court declined to issue an emergency order exempting states that outlaw abortion from a Department of Health and Human Services rule requiring programs that accept federal family-planning funds to provide abortion counseling or referrals to women interested in the procedure.

# Trailblazing Star of Stage and Screen

By Chris Kornelis

James Earl Jones, an award-winning actor who overcame a severe childhood stutter that caused him to barely speak and grew to have one of the most famous voices in cinema, died Monday at the age of 93, according to his representative at Independent Artist Group.

Across a career that spanned eight decades, Jones appeared in celebrated and beloved films such as “Field of Dreams” and “Coming to America,” as well as in Tony-winning Broadway productions including August Wilson’s “Fences.”

But he was best known for performances in which he used only his voice, from Mufasa of Walt Disney’s 1994 animated blockbuster “The Lion King,” to Star Wars villain Darth Vader. David Prowse wore the suit, but Jones’s voice made the character.

“I knew the voice had to be very, very special,” Star Wars creator George Lucas said at the 2015 American Theatre Wing Gala honoring Jones, adding: “It was really a choice between Orson Welles and James Earl Jones. James Earl Jones won hands down. He created, with very little dialogue, one of the greatest villains that ever lived.”

James Earl Jones was born on Jan. 17, 1931, in Arkabutla, Miss., to Ruth (née Connolly) and Robert Earl Jones. Jones’s father—who worked, for a time, as a boxer and, later, an actor—left the family when he was very young, and his mother was in and out of his life throughout his childhood. He was raised by his grandparents, John Henry and Maggie Anderson Connolly.

The family moved to Michigan as part of the Great Migration, when millions of Black Americans moved out of the Jim Crow South.

Jones wrote that as part of his family’s move from Mississippi, his grandparents brought him to live with his

paternal grandmother, whom he didn’t know. He resisted, and the family abandoned the plan and brought him along on the move North, but he was deeply affected.

“There was so much I could not ask or say,” he wrote. “The move from Mississippi to Michigan was supposed to be a glorious event. For me it was heartbreak. And not long after, I began to stutter.”

For years he communicated only with his family, “or at least those who didn’t mind being embarrassed by my stutter or my being embarrassed,” he said in a 2010 interview. Jones was in the ROTC at the University of Michigan, where he pursued medicine before turning to the drama department.

He was commissioned as a second lieutenant in the Army in 1953 and was a first lieutenant at the time of his honorable discharge in 1955, the same year he returned to Michigan to finish his degree. He moved to New York soon after, in the early days of the civil-rights movement, which he said “created a certain energy, a certain rumble, a certain impetus for black actors.”

Jones’s big break came when he was cast in Howard Sackler’s “The Great White Hope,” in which he played Jack Jefferson, a character based on the boxer Jack Johnson. It hit Broadway in 1968, when Jones was 37 years old. The play won the Pulitzer Prize in drama in 1969, earned Jones his first Tony Award and led to his starring role in the 1970 film adaptation, which fetched him his first Oscar nomination.

“It took my baptism in the play, ‘The Great White Hope’...for me to accept that I was strong enough to handle leading roles, and therefore capable of earning the kind of living to support a family,” Jones wrote in his memoir.

Jones’s 1968 marriage to the actress and singer Julienne Marie ended in divorce in 1972. He married actress Cecilia Hart in 1982. Together, they had a son, Flynn. Hart died in 2016.



James Earl Jones above in ‘The Great White Hope’ and below in ‘Clear and Present Danger.’



Jones made his film debut in Stanley Kubrick’s “Dr. Strangelove” in 1964, and appeared in a number of films in the following years. But everything changed after he was

cast as the voice of Darth Vader for 1977’s “Star Wars”—a role for which he was paid \$7,000.

The voice of Darth Vader became one of the most recog-

nizable in film history. It opened up more opportunities for Jones, including commercials and voice-overs—for years, he could be heard proclaiming, “This Is CNN.” Jones said he typically kept his Vader voice for professional purposes, like “The Empire Strikes Back” (1980) and “Return of the Jedi” (1983). But he told Dick Cavett that he once used both the voice and a “Darth Vader” handle on a CB radio while driving across the country.

“It freaked a lot of people out,” he said. “When I got to the truck stop, there was a buzz about it. So, I decided not to do that anymore.”

In other notable movie roles, he played an African king in the 1988 comedy “Coming to America,” a reclusive author in “Field of Dreams” (1989), a big-hearted, blind former baseball player in “The Sandlot” (1993) and an intelligence-agency boss in the Jack Ryan films “The Hunt for Red October” (1990), “Patriot Games” (1992) and “Clear and Present Danger” (1994).

Though Jones became best known as a screen star, he never gave up theater. The Cort Theatre, a Broadway theater where Jones first performed in 1958, was renamed the James Earl Jones Theatre in 2022. President George H.W. Bush awarded Jones the National Medal of the Arts in 1992.

Jones’s other honors included two Emmy awards in 1991, which recognized his performances in the TV movie “Heat Wave” and the ABC series “Gabriel’s Fire.” He also won a Grammy in 1976 for best spoken-word recording along with Henry Fonda, Orson Welles and Helen Hayes for their performances on “Great American Documents.”

With his honorary Oscar in 2011, Jones achieved EGOT status—the rare group of artists who have won or been awarded Emmy, Grammy, Oscar and Tony awards. He belongs to a small number of “noncompetitive” EGOT winners for whom one award was an honorary distinction.

# Black Enrollment Falls at Some Elite Colleges

By Melissa Korn

Diversity is down at some of the nation’s most selective colleges this fall.

The share of Black students entering Amherst College fell to 3%, from 11% last school year. At the University of North Carolina at Chapel Hill, where students could identify themselves racially in more than one category, the percentage dropped to 7.8% from 10.5%. And at Brown University, the share of first-year domestic students who are Black fell to 9%, from 15%.

The Wall Street Journal examined first-year classes at more than 20 colleges to see how class makeup is starting to change after last summer’s Supreme Court ruling barring schools from explicitly considering race in their admissions decisions. While some schools reported steady numbers, several posted sharp declines among racial minorities, including Black students in particular.

Leaders of those institutions, a group that includes Washington University in St. Louis and some Ivy League schools, are now trying to figure out why their numbers shook out the way they did. They argue that diversity helps all students encounter new ideas and prepares them to succeed in a multicultural society. They also say previous growth didn’t come at the cost of academic talent.

## Pushing through

Richard Oti, an 18-year-old Black student who moved to Northern Virginia from Ghana when he was 1, always knew he would be a minority at any highly selective college. When he enrolled at the Massachusetts Institute of Technology, he clung to a statistic that showed 15% of last year’s MIT freshman class was Black, including students who identify as multiracial. This year, it is 5%.

“The only reason that was going to change was if students like me actually attend there,” said Oti, a first-year student who plans to study

## A Puzzle Yet to Be Solved

Figuring out why some schools fared better than others at maintaining minority enrollment is a challenge, say admissions officers and analysts.

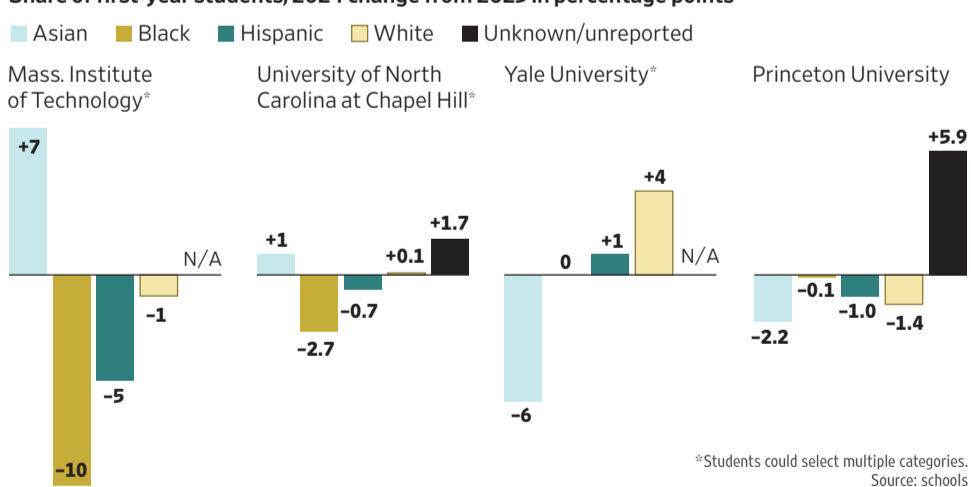
Given the botched rollout of the new federal financial-aid application last winter, it is hard for schools to answer, “Is it just a fluke year, or is

there something that’s fundamentally wrong with the way our process is working?” said Dominique Baker, an associate professor of education and public policy at the University of Delaware.

Baker and others who study college access expect schools to pore over the numbers, marketing

material, college-fair attendance and how they describe diversity initiatives on campus. She said some might want to examine binding early-decision admission programs, as well as preferential treatment for legacy applicants—steps that many schools say they aren’t willing to take.

Share of first-year students, 2024 change from 2023 in percentage points



computer science, economics and data science with a focus on improving sustainable agriculture.

Oti is one of 55 Black students in a class of more than 1,100, and described a sense of shock. He joined Chocolate City, a housing option for students who identify with Black and urban culture, but said he can’t come close to replicating that feeling of community in his classrooms.

His fear, one shared by admissions directors nationwide, is that current high-school seniors will see some of these numbers and shy away from applying, further sinking Black enrollment.

Not every college is experiencing drastic enrollment declines among Black students. Schools can report their figures

in a number of ways, and might not be directly comparable to one another, but the Journal looked at direct year-over-year trends for each institution.

Yale University’s first-year class remained stable for African-American and Hispanic students, though Asian-American enrollment fell to 24% from 30%. (International students are counted in a separate category at most schools.)

At Bates College, 32% of the first-year class are U.S. students of color, after hovering between 27% and 29% for the past five years. The school reported an increase in the share of Black and Hispanic students specifically.

Researchers and college leaders warn against drawing too many conclusions from a single year of results.

## Disclosing less

After the Supreme Court decision, many applicants said they were concerned about how welcome they would feel at certain schools and struggled with how much to reveal about themselves in essays or basic demographic questions.

Often they chose to say less. At WashU, the share of first-year students whose race was unknown increased to 5% from 1%. And at Tufts University, the share of domestic students who didn’t disclose their race in applications more than doubled, to 6.7%.

Admissions officers have been working for years to cast a wider net for prospective students. But data from the Common App—used by more than 1,000 schools, including

nearly all of the nation’s most selective ones—shows the share of Latino and Black students with high grade-point averages or high standardized test scores applying to at least one very selective college has been declining in recent years.

## Financial aid

Schools’ efforts to also beef up financial-aid packages didn’t necessarily equate to higher, or even steadier, Black enrollment last year.

At WashU, for example, the share of first-year students getting aid packages rose to 48% from 42% last year, with an average award of nearly \$72,000. Still, enrollment among students who identified as Black fell to 8% from 12%, and most other populations remained within a percentage point of last year.

The school has already committed to adding admissions staff in Atlanta, as well as Texas and its own backyard of St. Louis, said Ronné Turner, vice provost for admissions and financial aid.

Duke University expanded its outreach to high schools in the Carolinas, touting a more generous financial-aid program.

Duke students are allowed to check off more than one box for demographic classifications. The share of Black and Hispanic students edged up to 13% and 14%, respectively, while white students fell to 52% from 53%. Asian-American enrollment dropped to 29% from 35%.

Last fall, the California Institute of Technology roughly doubled the size of the program that flies prospective students who are underrepresented in science and math fields to campus for a three-day visit. The school has also expanded its partnership with QuestBridge, which matches high-achieving, low-income students with partner colleges.

Three weeks before classes start, the student makeup at Caltech looks roughly the same as it did last year, said Ashley Pallie, who runs undergraduate admissions at the school.

## U.S. NEWS

# Top Adviser Has Harris's Ear on Policy

Brian Nelson has served with the vice president since her time in California

BY TARINI PARTI  
AND ANDREW RESTUCCIA

When Kamala Harris decided in 2011 to pull out of multistate mortgage settlement negotiations during the foreclosure crisis, the then-California attorney general drafted a blistering letter with the help of one of her most trusted aides. The pair debated every word, with Harris peering over her aide's shoulder as he typed. "I have concluded that this is not the deal California homeowners have been waiting for," they wrote.

More than a decade later, that aide, Brian Nelson, was one of the first people Harris hired after President Biden bowed out of the presidential race in July. She brought Nelson over from the Treasury Department to help her navigate a campaign that was

built for someone else.

A pragmatist who isn't seen as overtly ideological, Nelson takes a similar approach to governing as Harris, one that portends a shift from the lofty, New Deal-style policy prescriptions proposed by Biden to a more consensus-oriented, incremental strategy.

"I kind of think of him as her problem-solver-in-chief," said Jill Habig, who served as special counsel to Harris when she was California's attorney general. "Part of why he's such a good partner to her is, I think he gets the way she thinks and is aligned with that."

Harris doesn't have a deep bench of longtime aides, making Nelson, 47, perhaps the most influential of the small group of advisers shaping her policy agenda.

The pair forged their relationship fighting big banks, but over the years, they have cultivated ties with business leaders. Some of the campaign's early moves, including a plan to pare back Biden's proposed increase in the top capital-gains tax rate, signal that the

vice president and her top policy adviser are open to hearing concerns from the business community.

In his new role, Nelson has a challenging task: articulating a coherent policy agenda in a short period that connects with voters, who say they want to learn more about the vice president's record and vision for the country, while also creating some separation from Biden.

Nelson declined to be interviewed for this article, but The Wall Street Journal spoke to more than a dozen people close to him and the vice president.

Harris recommended Nelson as the administration's nominee to serve as Treasury's undersecretary for terrorism and financial intelligence, a coveted position that became more high-profile as the wars in Ukraine and Gaza unfolded.

Even while he was at Treasury and not officially on Harris's staff, he served as a confidant behind the scenes and Harris brought him on to help on key projects, according to people who have worked with them. If Harris is elected, Nel-



Brian Nelson

son is widely expected to score a senior role in her new administration.

"Brian has been something of a constant in her world and an available and accessible sort of confidant, source of history and comfort that a lot of prominent electeds are not able to maintain," said Nathan B Rankin, who was chief of staff to Harris while she was attorney general and a senator.

One of the first policy proposals Harris released as the Democratic nominee was focused on making housing more

affordable—a full-circle moment in Harris and Nelson's working relationship, those who know them said.

Nelson, who previously worked for Harris for nearly her entire two terms as attorney general, helped secure the \$20 billion mortgage settlement that Harris's campaign has emphasized, and he played a central role in passing California laws providing protections to homeowners facing foreclosures.

Although Harris ultimately got a much larger settlement by pulling out of the multistate negotiations, a Journal analysis found that roughly a quarter of it was used as she intended: to help lower the debt burden on Californian's primary mortgages.

Nelson, a Southern California native who attended the University of California, Los Angeles as an undergrad, started at Yale Law School during the week of the Sept. 11, 2001, terrorist attacks.

After working in the private sector, Nelson joined the national security division of the

Justice Department. Before returning to Washington, D.C., during the Biden administration, he also worked for the organizing committee for the 2028 Olympic and Paralympic Games in Los Angeles.

In addition to housing, Nelson, while working for Harris in California, played a central role in her investigation of the defunct, for-profit Corinthian Colleges, which resulted in a judgment of more than \$1 billion; and her efforts to crack down on transnational criminal organizations.

Nelson maintained a close relationship with Harris during his time at Treasury. He worked on one of Harris's signature issues: improving access to banking and financial resources in the Caribbean.

During his nearly-three-year stint at Treasury, Nelson was at the center of the Biden administration's economic sanctions campaign against Russia, as well as the price cap on Russian oil. He visited dozens of countries as he worked to keep U.S. allies on board with the sanctions.

## U.S. WATCH

### NEW YORK CITY

#### Weinstein Receives Emergency Surgery

Jailed ex-movie mogul Harvey Weinstein underwent emergency heart surgery at a New York City hospital Monday, his representatives said.

Weinstein, 72 years old, was taken to Bellevue Hospital in Manhattan from the Rikers Island jail complex late Sunday "due to severe medical conditions," his publicist Juda Engelmayer and prison consultant Craig Rothfeld said. "We can confirm that Mr. Weinstein had a procedure and surgery on his heart today," they said.

Weinstein has been in and out of Bellevue Hospital since returning to Rikers Island from state prison in April after an appeals court overturned his 2020 rape and sexual assault convictions and ordered a new trial.

Last week, prosecutors disclosed that they have begun taking steps to potentially charge him with up to three additional sex assaults. A vote on a potential new indictment is expected soon. Weinstein has denied he raped or sexually assaulted anyone.

—Associated Press

### GULF COAST

#### Texas, Louisiana Face Major Storm

Tropical Storm Francine was strengthening in the Gulf of Mexico on Monday, drenching coastal Mexico and Texas on its way to hit Louisiana as a hurricane on Wednesday night.

"We're going to have a very dangerous situation developing by the time we get into Wednesday for portions of the north-central Gulf Coast, primarily along the coast of Louisiana," said Michael Brennan, director of the U.S. National Hurricane Center in Miami.

Heavy rain was already falling in northeastern Mexico and deep South Texas, where some places were forecast to get up to 12 inches into Monday night, Brennan said.

The storm surge pushed by Francine could reach as much as 10 feet along a stretch of Louisiana coastline from Cameron to Port Fourchon and into Vermilion Bay, forecasters said.

—Associated Press

### VERMONT

#### Four Killed in Crash Of a Small Plane

A small plane crashed in Vermont near an airport in Ferrisburgh, killing the four people on board, police said Monday.

The Vermont State Police recovered the bodies from the wreckage of the four-seat, single-engine Piper aircraft that crashed Sunday in a wooded area near the Basin Harbor Airport.

The victims were all from Connecticut. They were identified as Paul Pelletier, 55, of Columbia, Frank Rodriguez, 88, of Lebanon, Susan Van Ness, 51, of Middletown, and Delilah Van Ness, 15, of Middletown.

—Associated Press



Jonathan Chiamonte in New York, left, and Cheryl Obermiller in Missouri. Both started politics-free Facebook groups.



## Many Put Gag Order On Politics

Continued from Page One

Obermiller, who founded the group after friends engaged in political flame wars, said, "Things are so contentious right now that people are just starving for a place they can go where someone doesn't have to know who I am going to vote for." She monitors comments, a time-consuming task for the Kansas City, Mo., construction-services firm owner with eight children and 21 grandchildren.

About 62% of U.S. adults say they are worn out by so much coverage of the campaign and candidates, according to the Pew Research Center, which surveyed 8,709 adults in April. That fatigue was registered before election coverage ramped up even further with President Biden dropping out of the race, two national conventions and an

assassination attempt. The onslaught of political news comes at the same time that coverage of escalating global conflicts has intensified, leaving many people overwhelmed.

Politics is a chronic stressor and disengaging is among the most effective coping methods, said Brett Q. Ford, an associate professor of psychology at the University of Toronto. Those who could distract themselves from politics experienced somewhat better well-being, according to their research. "To me it's not about apathy or disinterest," Ford said.

Grayson McGill, 37, of Danville, Va., tunes out political noise on social media. In recent weeks, he has unfollowed about 400 people on Facebook and is dropping about four or five more daily, including some he agrees with politically. "Even if I agree with your opinion I'm burnt out on hearing it," he announced online recently.

"I can vote in November but worrying about it every single day of my life, there are only negative effects that can come out of that," McGill said.

"Life is a lot better. You don't need to be consumed with it every second."

To avoid the daily drumbeat of polarized politics, Lizzy Scully canceled national newspaper and magazine subscriptions this summer, opting instead for audiobooks. Any subject was good, as long as it wasn't about the election.

"I just unplugged entirely because I felt helpless and hopeless," said the 51-year-old owner of a packrafting instructional guide service in Mancos, Colo.

Brendan Westlake, a music education major in Fremont, Neb., is well-informed on politics and current events but will act disinterested when conversations turn political.

"I would rather feign ignorance than die on a hill where no one wins," said Westlake, who doesn't share opinions on social media or attend political events. "I care about politics. I'm 23. I live in the U.S. It's my civic duty to care. I just don't care about getting riled up." And increasingly, he said, people are getting riled up about even the most mundane routines, like grocery shopping: Higher cereal prices

turn into a debate about which political party is responsible. "I don't want to make everything political," said Westlake.

Fewer than one in five young people ages 13 to 25 posted political content on social media in the past 12 months, according to a 2024 survey of 6,669 people by Springtide Research Institute, a nonpartisan nonprofit.

Young people feel it is risky to talk about politics and are often more measured about whom they trust and what they post online, said Tricia Bruce, Springtide's director. "It has ruptured friendships," she added.

Joelle Moore, 23, is selective these days. "It's a little bit of burnout," said Moore, who works at a behavioral-health clinic. Moore will scroll through texts in group chats but not read attached articles or click on videos, which can be especially graphic.

Jonathan Chiamonte, a 43-year-old high-school teacher, in 2020 started a politics-free community Facebook group in Sayville, N.Y., where he lives. Chiamonte, who teaches a peer-education class

that promotes community, confidence and eradicating bullying, noticed adults in town behaved worse than his students when it came to political discourse. "It was so upsetting to see my neighbors fighting," he recalled.

Today, the Sayville Politics-Free Zone has 3,000 members in a town of about 17,000. He said people know they can share or seek information without any spin or political blowback. He once used the forum while redoing his kitchen. "I was looking for a contractor," he said, "not for a lecture on politics."

Jonathan LaForce, 37, a father of five in Dallas who served with the Marines and is now a federal employee, said pervasive politics is tiresome. "You have to work at escaping," he said. A gamer, he plays alone rather than in online communities where news discussions can turn ugly. "I'd rather sit there in silence in my little corner of the universe and interact with computers rather than deal with a fight." LaForce tries to find common ground with people by asking whether they like tasty barbecue.

## Candidates Get Ready For Debate

Continued from Page One

terms of how low he will go. And we should be prepared for that," Harris said in an interview with "The Rickey Smiley Morning Show" that aired Monday. "We should be prepared for the fact that he is not burdened by telling the truth. And we should be prepared for the fact that he is probably going to speak a lot of untruths."

A top objective for Trump, aides said, is to keep the debate focused on high inflation during Biden's presidency and anxieties over the U.S.-Mexico border, pinning Harris to the current president's policies. Trump, the GOP's presidential nominee, also plans to dig into Harris's record as a prosecutor in California—describing her as weak on violent crime—and remind voters of her shifts from more liberal stances, saying in a recent CNN interview "my values

have not changed."

Trump is unlikely to benefit from a rerun along the likes of Biden's disastrous June debate performance; Harris will be unburdened by concerns about her age and mental fitness for the job. But the ex-president has signaled plans to take a similar approach: His plan is to minimize interrupting Harris and allow her to talk, as he largely did with Biden and in contrast to debate performances in 2016 and 2020. He also will need to avoid commenting on Harris's gender, intelligence and race, strategists said. Earlier this summer, Trump said Harris only recently "became a Black person," the type of comment that could pose a risk if repeated on a debate stage.

"He has to keep this focused on policy and not personality," said Brett O'Donnell, a Republican strategist who helped prepare Mitt Romney and John McCain for debates during their presidential runs. "As he's said, people may not like him but they should vote for him because he'll make their lives better. He should write the following words at the top of his notepad: weak, failed, dangerously liberal. There shouldn't be anything

about her intelligence or race. He's got to make the election about the status quo."

As he did earlier this year against Biden, Trump is avoiding traditional debate prep. His campaign said he prepares by talking to voters during rallies and doing interviews.

Still, Trump has been holding policy sessions with advisers, which recently have included former Rep. Tulsi Gabbard, who memorably tangled with Harris in a 2020 Democratic presidential primary debate; Republican Rep. Matt Gaetz, a Florida Republican; immigration adviser Stephen Miller; and strategist Jason Miller.

"You can't talk about turning the page when you're the one who created the current nightmare," Jason Miller said ahead of the debate, describing a range of attacks from the economy to the botched 2021 withdrawal from Afghanistan.

Harris, meanwhile, has laid the foundation in advertising and public speeches to address issues such as her eco-

nomie plan and support for abortion rights. Her campaign unsuccessfully lobbied ABC to have live microphones in front of the candidates throughout the debate, arguing against carrying over rules established in Biden and Trump's CNN debate to have microphones muted when the other candidate is speaking. The Harris campaign had sought to keep the microphones open to allow for a more active

b a c k - a n d - f o r t h .

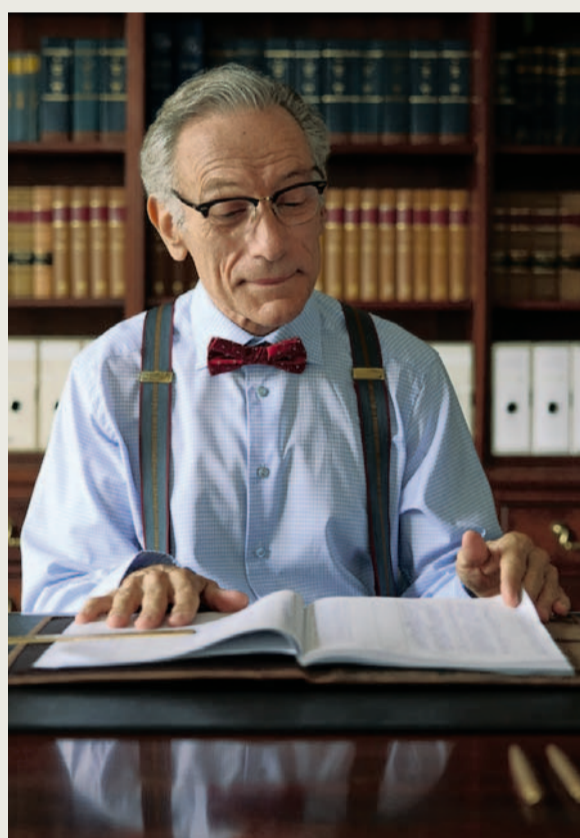
Beyond the skirmish over debate rules, Democrats who have worked on past presidential debate preparations said Harris needs to avoid d e b a t i n g Trump on his terms.

"She's got to, at all costs, avoid taking the bait and trying to deal directly with the craziness that is Trump," said Robert Barnett, a Washington attorney who has long helped prepare Democratic presidential candidates for debates.

Trump and Harris have never met in person, despite overlapping in Washington.

### The Harris campaign had sought to keep microphones open.

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## WORLD NEWS

# Syria Says Israeli Strikes Leave 16 Dead

Missile attacks seek to disrupt supplies of Iranian arms to Lebanon's Hezbollah

By RORY JONES

The Syrian government accused Israel of launching missile strikes at its territory that killed 16 people, deepening tensions between the two countries amid an expanding Israeli campaign to disrupt Iranian arms supplies to Lebanon's Hezbollah.

Iran-backed Syria, led by President Bashar al-Assad, said Monday that the strikes late Sunday hit several areas nationwide, wounding 36 people and damaging residential buildings. The missiles also targeted military sites in the western Syrian city of Masyaf, the country's state news agency reported, adding that air defenses downed some of the projectiles.

Israel has accused Iran of using a scientific research center in Masyaf to develop weapons and missiles intended for its aligned regional militias, including Hezbollah, said Joe Truzman, a research analyst at Washington-based think tank Foundation for Defense of Democracies.

Iran's Foreign Ministry condemned the strikes in Syria on state-run news agency IRNA, but denied it had any military sites in the country.

Israel has expanded an air campaign against enemy targets in Syria since the start of the war against Hamas in Gaza, blowing up weapons and fuel supplies destined for Hezbollah, which has backed its Palestinian ally by firing rockets on Israeli towns and cities.

To limit the fallout, Israel has avoided publicly claiming responsibility for attacks in Syria. Israel's military declined to comment Monday.

The Israeli campaign of airstrikes in Syria began about a decade ago, as the civil war there left a security vacuum that was filled by Iran and its allied militias, which backed Assad. Israel so far has avoided dragging Syria into its fight against Hamas and Hezbollah. But it has had to walk a fine line between conducting attacks that kill militants and destroy arms supplies, while avoiding strikes that kill senior officials or many civilians and risk sparking a bigger blowup.

Since the start of the war in Gaza, more than 180 strikes in Syria have been attributed to Israel, an uptick from recent years, according to Armed Conflict Location & Event Data, a nonprofit, and Tel Aviv-based think tank the Institute for National Security Studies.

Assad has refrained from joining Iran-backed allies in launching attacks on Israel, as he continues to fight a civil war against Kurdish and Islamic State forces.

The drumbeat of attacks hasn't stunted Hezbollah's military buildup. Some former Israeli officials have called on the military to expand its campaign as Israel also looks to more proactively engage the Lebanese militia. Monday, the Israeli military said it mounted airstrikes overnight against Hezbollah in response to rocket attacks and later said two hostile aircraft had entered Israeli airspace from Lebanon. The incidents appeared to be in keeping with current rules of engagement.

—Saleh al-Batati contributed to this article.

# Hostage Videos Stir Public Ire

By ANAT PELED

TEL AVIV—After Aviva Siegel was taken from Kibbutz Kfar Aza and held prisoner in Gaza, her captors would film her for hostage videos, telling her exactly what to say. It often took several takes, because she kept forgetting the script.

The production crew included a cameraman and a person who spoke Hebrew, and they were quick to remind her of her lines: “You didn’t say that you’re 62.” “You didn’t say that you’re from Kfar Aza.”

The effort that Gaza militants have devoted to filming the roughly 250 people taken during the Oct. 7 attack on Israel shows the centrality of hostage-taking in Hamas’s strategy for putting pressure on Israel and surviving the war. Many of the hostages have been forced to record videos at some point during their time in Gaza, according to the Hostages Families Forum.

Hamas doesn’t always make the videos public. Some have surfaced only because the Israeli military found them.

Hostage families that have seen videos of their loved ones say they are difficult to watch but are a much awaited sign of life. “It’s a very slow-motion form of trauma,” Rachel Goldberg-Polin told The Wall Street Journal last month when asked about a video released in April that showed her son, Hersh, alive. “And the ironic, dismaying part of that is how many hostage families say to us, we would give anything to have that video.”

Israel recovered the bodies last week of Hersh Goldberg-Polin and five other hostages who appeared to have been killed by Hamas. Since then, the militants released new videos of Goldberg-Polin and the other captives showing them begging to be released.

The videos, which according to freed hostages are carefully scripted, appear aimed at pressuring the Israeli public to push for a deal that would swap a cease-fire and Palestinian prisoners for some of the 97 hostages taken on Oct. 7 who are still held in Gaza.

As many as half are feared to be dead. Hostage families and many in Israel’s security establishment are concerned time for the rest is running out given



Aviva Siegel, left, and her daughter Elan Siegel. Aviva said she would forget the script she was forced by her militant captors to read when they filmed hostage videos in Gaza.

the danger and difficult conditions. Anger is growing at Netanyahu, who critics say is stymieing an agreement. He says his hard line is aimed at securing better terms in any deal.

Gershon Baskin, an Israeli hostage negotiator who helped broker a prisoner exchange with Hamas in 2011, said the group is making more aggressive and sophisticated use of video. The videos have displayed a good understanding of Israeli society, as well as professional editing, he said. Hamas’s use of Hebrew has improved, he noted.

According to Arab mediators and officials who speak directly to Hamas, the militants ordered units that returned from raids on Oct. 7 with hostages to take frequent photos and videos. That raw material is kept in an archive and later shared by teams outside Gaza, the people said. The orders are to apply pressure on the Israeli government and attack Netanyahu, they said.

“Hamas is exploiting the public sentiment, which is beginning to become a lot louder and a lot larger,” Baskin said. Israel sees the hostage videos as psychological propaganda. Is-

raeli media previously avoided airing them, but as the months have gone on, the increasingly desperate families of hostages have given their blessing to air some of the footage to keep the issue on the public agenda.

Released hostages told the Journal that militants forced them to make the videos starting in their very first days in captivity. While many of the hostages said they were genuinely angry with Netanyahu and felt abandoned, they said the actual text was scripted.

Once, a militant tried to make Siegel more presentable by giving her a brush to neaten her hair. When she refused, the militant tried to get her to put her hair in a clip, but she remained firm.

“I knew what I looked like. I was disgusting. I was so dirty,” she said. “I looked at him, and I picked my hair up, and I said, ‘beautiful,’” she said. “A couple of hours later, he told me to come into the other room and that they were going to take a picture of me. So I understood that he wanted me to look better.”

Qatar and Egypt have tried

to stop Hamas from releasing any videos of children who were taken as hostages.

In May, the Israeli military released an unpublished video that it found inside Gaza showing Ella Elyakim, an 8-year-old girl who was kidnapped with her sister from a kibbutz in Israel, reciting lines for the camera for a hostage video. The military said the footage was taken a few days after she was kidnapped on Oct. 7.

“My name is Ella Elyakim, the daughter of Noam, and I’m 8 years old, and I’m asking Bibi (Netanyahu) to release us, and I’m a prisoner of Hamas,” she said in the video. She was released in a deal in November.

Siegel said her captors would sometimes film videos of her during a meal. “They used to make food and put it on the table,” she said. “We had to sit next to them and smile and say everything is OK, just for the picture.”

Israel, which is closely collecting information on the hostages, uses the videos to try to gain more information. “I’m sure that they have doctors looking at them and determining what their weight is, what their physical situation is...dissecting every single frame and picture to see how the hostages are being kept,” Baskin said.

—Summer Said contributed to this article.

**The footage aims to whip up Israelis to push Netanyahu for a cease-fire deal.**

## In India, Gangs Aid In Cheating

Continued from Page One

ing rings can earn millions of dollars each time, police said. “Question papers are sold at extravagantly high prices,” said Ashok Rathore, a police officer who investigated cheating linked to India’s medical school exam in two states this year. “It’s a nexus of desperate students, parents, tuition centers and printing presses.”

Unlike U.S. universities, where essays, test scores and interviews are combined to assess if a student should gain admission, the route to a university education in India is largely through competitive testing. Exams are also the route to many government jobs, which are sought after amid a shortage of good private jobs.

More than four million people took the police exam this year, competing for 60,000 jobs in India’s largest state, while two million people took a medical-school exam for about 100,000 spots that also became embroiled in an investigation.

Harsheen Khera, 17 years old, spent her high school years taking extra classes to get into medical school. She felt good about her chances after she took the exam in May. But a month later—when the exam results were released unexpectedly on the same day as India’s election results—her hopes were dashed.

Khera had a good score, but her ranking was pushed down by an unusual number of perfect scores this year. Some of the other high scores were mathematically impossible given the exam’s marking system, exam trustees said. Soon, the buzz of disquiet among students exploded into allegations, street protests and lawsuits.

“After studying so hard, all

we get is cheating and fraud,” Khera said. “Why should I study when some people easily make it to the top just by buying question papers or paying someone else to write the test on their behalf?”

The exam scandals are turning into a major problem for India’s government. In Uttar Pradesh, where the ruling Bharatiya Janata Party held most of seats, the party came in second to an opposition alliance during national elections this year. Several young voters attributed the shock result in part to anger over the police exam, whose results were declared invalid as the cheating allegations grew.

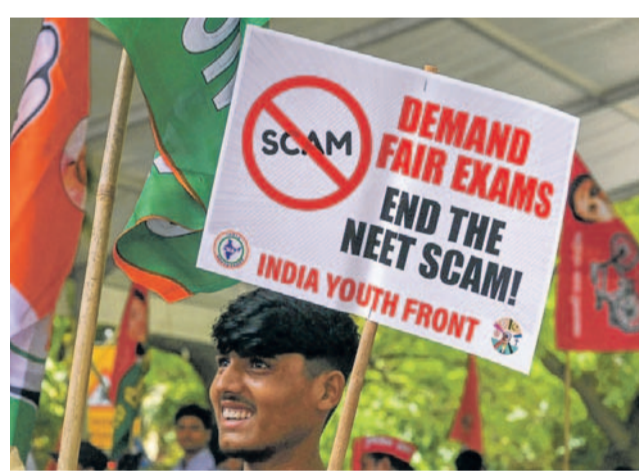
Police officers said people cheat in several ways. In some cases, candidates have had someone else take the exam for them or have smuggled in phones to search for answers during the exam.

But much of the cheating happens well before students get into the exam hall, often organized by cheating rings that operate as exam-coaching centers and that have cultivated an inside person with access to the exam answers. In some cases, according to police investigations, cheating rings have sent people to printing presses to steal exam papers.

Then they gather students who have paid up on the eve of the exam and help them memorize the questions and answers.

In India’s eastern state of Bihar, where cheating scandals are particularly prevalent, police have arrested about two dozen people in connection with the medical exam paper leak, investigating officers said.

In a confession made to the police, 22-year-old aspiring medical student Anurag Yadav said he was studying in Kota, a hub of coaching centers in northern India for India’s various competitive exams, when he got a message from his uncle that “the medical exam had been arranged.” When he returned home to Bihar, his uncle introduced him to two people who gave him the question pa-



Students in New Delhi in July protested alleged irregularities in the results of exams to gain coveted spots in medical school.

per and answers to memorize. “When I went to my test center, I found the exam paper was exactly the same as the one I was made to memorize,” said Yadav, who was arrested but not charged.

Awadhesh Kumar, the father of another student who took the exam, said in a confession to the local police that he paid four million rupees—the equivalent of nearly \$50,000—to a gang for the medical exam question paper. Yadav and Kumar couldn’t be reached for comment.

In the case of the police exam, some of the cheaters forgot to stay off social media, which gave investigators helpful clues.

“The candidates were reading the question and answer keys sitting in one of the lawns of the resort,” said Brijesh Kumar Singh, a senior police official on a special task force investigating the police exam. “One or two of them clicked photos and made videos sitting in the lawn of the resort and put them online.”

As some exams become computerized, high-tech cheating is happening, too. In 2022, India’s federal investigative agency arrested a Russian national for allegedly hacking the software for the exam to enter the country’s top engineering schools so some exam takers could give remote ac-

cess to others who completed their exam for them.

Authorities have tried blocking the internet and installing video surveillance inside exam halls to prevent cheating. A new law implemented this year lays out up to 10 years of prison time for people who enable others to cheat. In June, as allegations of irregularities over the medical school entrance exam grew, New Delhi replaced the head of India’s National Testing Agency, which conducts that exam.

At the end of August, the state of Uttar Pradesh held the police-recruitment exam again, this time with beefed-up security protocols. The state’s police chief, Prashant Kumar, said that officials went to great lengths to ensure the test was conducted fairly.

The security measures included fingerprinting, iris scans and facial-recognition tools to check the identities of the test takers, as well as drone surveillance. Cameras livestream feeds from the test-taking centers to a control room and the boxes containing exam materials were monitored at all points, he said.

“We ensured that fairness and transparency passed with flying colors,” Kumar said. “Even a bird couldn’t fly near the exam centers without permission.”



An Israeli strike hit Hama, according to Syrian state media.

Market Update

## Mortgage rates are at a 15-month low

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\*Mortgage rates according to Freddie Mac's Primary Mortgage Market Survey<sup>SM</sup> on 8/8/2024. July 2024 listings compared to July of previous year and are based on internal analytics inclusive of all for sale home listings. Screen images simulated.

WORLD NEWS

# China Inflation Continues to Rise

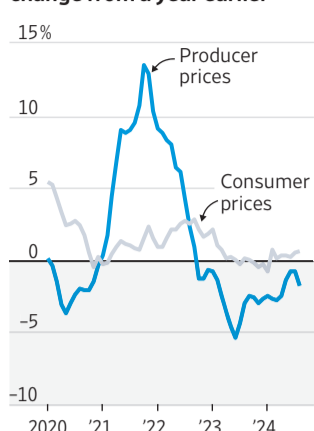
CPI climbed for a seventh consecutive month in August, but trailed forecasts

By Jason Douglas

China's consumer inflation picked up amid supply constraints caused by abnormal weather, though the reading is unlikely to shake off concerns around limp demand and other pressures facing the world's second-largest economy.

The country's consumer-price index rose for a seventh consecutive month in August, increasing 0.6% from a year earlier, China's National Bureau of Statistics said on Monday. That fell short of the 0.8% rise expected by a Wall Street

China's inflation indexes, change from a year earlier



Journal poll of economists, though it marked an acceleration from July's 0.5% increase.

Economists had widely expected inflation to pick up

steam because of supply-side disruptions brought on by scorching heat and pouring rains. In July, rising food prices had nudged consumer inflation higher.

Deflation remains a major risk for China's economy, said Zhiwei Zhang, an economist at Pinpoint Asset Management, who noted that China's nonfood consumer prices dropped 0.3% from a month earlier in August.

China is at the tail end of its hottest summer since at least 1961, the earliest year for which authorities have released such data. Heat waves hit China earlier than usual this year, while record-breaking rainfall swept the country.

The unfavorable weather conditions disrupted agricultural production and helped push food prices to rise 2.8% in August from a year ago.

The price of vegetables jumped 21.8% in August, while that of fruits grew 4.1%, compared with July's 4.2% decline.

Meanwhile, core consumer inflation, which strips out more volatile categories such as food and energy, decelerated to 0.3% from 0.4% in July.

Economists say the boost to consumer inflation from extreme weather patterns likely won't stretch into the fall. They expect downward price pressures to persist as domestic demand continues to hobble along amid a festering property slump.

While China's GDP expanded 4.7% from a year ago in the second quarter in real terms, its nominal GDP, which doesn't factor in inflation, grew only 4%, pointing to broad-based price declines across the economy.



Mario Draghi gives European Commission President Ursula von der Leyen a report on the future of EU competitiveness.

# Draghi Proposes 'Radical Changes' For EU Economy

By Kim Mackraai and Laurence Norman

BRUSSELS—Mario Draghi wants to rescue Europe again.

The 77-year-old former European Central Bank president on Monday delivered his prescription for jump-starting Europe's sluggish economy and strengthening its defense industry.

Draghi was tapped by the European Union's top official last September to create a much-anticipated report amid escalating worries about how far Europe is falling behind the U.S. and China economically.

Draghi promised to offer a prescription for "radical change" to enable Europe to compete internationally. His report includes more than 150 recommendations aimed at tackling Europe's lagging productivity, including calls for a more aggressive industrial policy and subsidies, changes to the bloc's competition policy, and a reshaping of European capital markets to attract investment.

The report likely will trigger arguments across the bloc, with some countries worried about Europe's becoming too protectionist. It comes as political crises in big European economies complicate agreement on EU-wide changes.

Some of Draghi's ideas, including expanding the single market and building a pan-EU capital union to boost investment, have been on the table for years. The EU's 27 national governments haven't advanced them. He said failure to implement changes would leave Europe in an existential crisis.

"If Europe cannot become more productive...we will not be able to become, at once, a leader in new technologies, a beacon of climate responsibility and an independent player on the world stage," he said in the report. "We will have to scale back some, if not all, of our ambitions."

Draghi said EU countries need additional annual investment of at least 750 billion to 800 billion euros, equivalent to \$830 billion to \$885 billion, to create a competitive digital and carbon-neutral economy. Public investment in areas like breakthrough innovation, defense procurement and energy is critical to promote private investment that would boost productivity, he said.

The bloc's competition policy should change so that the rules don't become a barrier to economic growth. The EU's antitrust authorities should put more weight on whether a merger can boost EU innovation and can help create globally competitive companies, he said. EU officials should seek to ease the regulatory burden to make it easier for companies to scale up, Draghi said.

Prompting the report is 15 years of European economic underperformance that leaders are struggling to address.

According to the International Monetary Fund, the EU's 27 economies account for just 14% of global

output on a purchasing-power basis, down from more than 20% in 2000. Europe's recovery from the pandemic has been more sluggish than the U.S.'s and China's, with the continent taking a big economic hit from Russia's invasion of Ukraine, which pushed up energy prices.

Among the most controversial parts of Draghi's proposals concern industrial policy, increased fiscal outlays and proposed changes to competition policy, which has long been viewed as untouchable.

European Commission President Ursula von der Leyen said she is working to incorporate many of Draghi's proposals into her priorities. She said common economic priorities must be "funded by common European money."

Draghi said Europe is in an economic "crisis mode."

**A shift in competition policy is needed to keep up with the U.S., China.**

## WORLD WATCH



The Prince and Princess of Wales released a video Monday showing the couple frolicking with their two sons and daughter.

### UNITED KINGDOM

#### Princess of Wales Completes Chemo

Catherine, the Princess of Wales, said she had completed her chemotherapy and would resume a light program of royal duties in the coming months. A video released on Monday showed a healthy-looking Catherine jumping in and out of waves on the English coast with her husband, Prince William, and picnicking with the prince and their three children.

In March, after a few months of speculation-fueled absence from public view, the 42-year-old Catherine, known as Kate Middleton, said she had cancer. She had spent 13 nights in a central London hospital in January, following abdominal surgery the palace said wasn't cancer-related. She later said the cancer was found during the operation.

—Max Colchester

### CANADA

#### Nygaard Sentenced To 11-Year Stretch

Former Canadian fashion mogul Peter Nygaard was sentenced on Monday in Toronto to 11 years in prison for sexually assaulting four women. The judge called the 83-year-old a "sexual predator."

Justice Robert Goldstein said Nygaard showed no empathy for his victims, all attacked in his company's offices. The judge said one of several aggravating factors was that one of the victims was just 16 years old at the time.

Nygaard was found guilty of four counts of sexual assault in November but acquitted on a fifth as well as one count of forcible confinement. He faces separate sexual-assault and sex-trafficking charges in Montreal, Winnipeg and the U.S. Nygaard has denied all allegations against him.

—Associated Press

### AFGHANISTAN

#### Embassy in London To Be Shut Down

Afghanistan's embassy in London is being shut down "following the dismissal of its staff by the Taliban," the U.K. Foreign Office said. Britain doesn't recognize the Taliban government. Ambassador Zalmay Rassoul wrote on X that the shutdown was "at the official request of the host country." Neither the U.K. nor the ambassador said what would happen to embassy staff.

Diplomats serving under Afghanistan's former government were left in limbo when the Taliban returned to power in 2021. Many embassies have continued to operate, but have been accused by Kabul of failing to cooperate with the government. Taliban-approved diplomats have been sent to some countries, including Pakistan and China.

—Associated Press

### GERMANY

#### Controls Imposed At All Land Borders

Germany's government ordered temporary controls at all land borders on Monday, saying it was responding to irregular migration and extremist threats. The Interior Ministry said controls will be set up at the land borders with France, Luxembourg, the Netherlands, Belgium and Denmark for six months starting Sept. 16, adding to restrictions already in place on the land borders with Poland, the Czech Republic, Austria and Switzerland.

Germany has accepted large numbers of refugees from the Middle East over the past decade, but now a political backlash is building, with support growing for a far-right party, Alternative for Germany. It won its first state election this month.

—Associated Press

## FROM PAGE ONE

# New Google Antitrust Trial Opens

Continued from Page One  
back-to-back blows could crimp some of the company's revenue streams at a time when it is pouring money into artificial intelligence to compete with Microsoft and a host of well-funded startups to build increasingly powerful computer systems.

The cases also could spark changes in how the company reaches consumers and how advertisers promote their businesses online.

The Virginia case targets Google's omnipresence in the ad-tech industry, where it facilitates much of the buying and selling of digital ads that help fund online publishers. Google offers a platform for publishers to offer and manage ad space, tools for ad buyers and a marketplace where buyers and sellers transact.

The Justice Department, joined by a bipartisan coalition of 17 states, alleges Google has used unlawful tactics to prevent the rise of rival

technologies and lock advertisers and publishers into its tools. The government is seeking to force the company to shed its Ad Manager product, which in 2020 made an operating profit of \$368 million from booked revenue of \$7.4 billion, according to a financial statement the company provided to the court. Google pays out a portion of the total revenue to web publishers.

"Google's conduct comes straight out of the classic monopolist playbook," Justice Department lawyer Julia Tarver Wood said in her opening remarks.

"Google's isn't here because they are big," Wood said. "They are here because they use that size to crush competition."

The government's first witness was Tim Wolfe, an executive at newspaper publisher Gannett. The company has its own antitrust case pending against Google, which overlaps with the government's lawsuit.

Google has said its success is due to a long record of innovation, criticizing the Justice Department as being out of touch with market realities. The case focuses on display ads on websites, but "user attention migrated elsewhere years ago—to apps, social media and Connected TV," Google

said in a recent court filing.

Google lawyer Karen Dunn said in her opening statement that the digital-advertising market is more competitive than ever. Companies like Microsoft and TikTok are ascendant, while Google's market share is declining, she said.

"What plaintiffs seek could do real damage," said Dunn, a partner at law firm Paul Weiss who has advised Vice President Kamala Harris on her presidential campaign.

Google's overall advertising business is a cash cow, accounting for more than three-quarters of parent company Alphabet's \$307.4 billion of revenue last year. Though the Justice Department lawsuit challenges only some parts of it, a government win could have ripple effects because Google's advertising technology has been so interwoven into its operations.

Google's ad-tech business gives the company insights into the internet browsing habits of millions and the businesses of widely visited online publishers, such as news outlets.

In 2016, Google reversed a longstanding policy and began merging information it collected from visitors to its own sites with data gleaned from their activity elsewhere on the internet, according to the Jus-



Google legal team members waited outside U.S. District Court in Alexandria, Va., on Monday.

Department.

The Justice Department in court papers alleged this change, known inside Google as "Project Narnia," allowed it to target ads "in ways no one else in the industry could." Google has denied the allegations.

The case before Brinkema, an appointee of former President Bill Clinton, will proceed without a jury, which is typical for how government antitrust cases are managed. The Jus-

Department made an unusual attempt to get the ligation before a jury by including a claim for monetary damages, alleging the government itself overpaid for online ads. Google in turn wrote the government a check for the \$2.3 million, paying the damages request and ensuring a nonjury trial.

The company is on the back foot as the trial begins, over the deletion of internal messages that could have been

relevant to the case.

Last month, Brinkema criticized Google over an earlier company policy of automatically deleting employee chat records, saying that "an awful lot of evidence has already been destroyed."

The judge declined to impose a formal sanction on Google, but said the issue would factor into her determinations of which trial witnesses are credible.

## FROM PAGE ONE

## Iraqi Banks Sent Funds To Iran

Continued from Page One transfer dollars, Nelson told the Journal in an interview. "It's been important for Treasury to ensure those funds are not diverted in support of the Iranian regime." Nelson, who left Treasury in August, declined through a spokeswoman to discuss his talks with Iraqi officials.

The crackdown on Iraqi banks started in late 2022 after more than a decade of U.S. inaction, even after warnings of potential fraud by the Pentagon inspector general as long ago as 2012. Current and former U.S. officials said that over the years the U.S. implemented temporary restrictions on cash flows to Iraq, but feared that tight or permanent controls would plunge Iraq into economic chaos and set back its fight against Islamic State.

For Iran, which has been sanctioned for illicit nuclear activity and for supporting terrorism, access to dollars is critical for buying weapons and parts for drones and missiles, and financing armed groups it supports around the Middle East.

Those include Hamas in Gaza and Hezbollah in Lebanon, U.S.-designated terrorist groups that have battled Israel since last October, raising tensions in the Middle East to the highest level since the U.S.-led invasion of Iraq two decades ago.

## Ad hoc system

After the invasion of Iraq in 2003, Washington agreed to hold Iraq's earnings from oil sales—tens of billions a year—at the New York Fed. To circulate the proceeds back into Iraq, the Fed began shipping dollars in cash to Baghdad and processing commercial wire transfers from Iraq's private banks for international trade, hoping to revive its shattered economy after years of war and sanctions.

The system lacked a check that is standard in international banking: It didn't require the banks to divulge specifically who was getting the funds they were wiring out of Iraq.

In the U.S. and most other countries, banks seeking to move money internationally typically use a secure messaging system, known as Swift. The Belgium-based service routes messages between banks, specifying the amount and the intended recipient. It handles millions of daily payment instructions across more than 200 countries and territories and 11,000 financial institutions. Each bank in a message chain approves or disapproves the transfer after a review aimed at curbing money laundering, terrorist financing or other fraudulent activity.

After decades under sanctions, Iraqi private banks didn't have the necessary agreements with foreign banks to make international wire transfers using the standard Swift system for commercial transactions.

Instead, the U.S. and the Central Bank of Iraq began using a different type of Swift message normally used for moving funds between banks. Since bank-to-bank transfers are considered far less risky than those between commercial customers, the messages don't require disclosure of the final recipient of wire transfers.

In Iraq, that gap was used to divert dollars on a massive scale, U.S. officials said.

The 42-year-old Ghulam, now a London resident, ran an empire that handled the biggest share of the dollars transferred out of Iraq—on some days as much as 20% of the wire transfers, he and Iraqi banking officials said.

His banks—Iraqi Middle East Investment Bank, Al Ansari Islamic Bank and Al Qabidh Islamic Bank—were the first to be blocked from dollar transactions by the Fed and Treasury in late 2022. U.S. officials haven't explained the decision publicly, but said privately the banks were cut off because of their large volume of suspicious transactions. No action has been taken against Ghulam personally.

Ghulam denied his banks knowingly sent funds to the Quds Force or the Iranian government. "I have nothing to do with money laundering or Iran," he said in an interview.

He said his life in London, where he and his family live after relocating from Baghdad in 2018, has been turned upside down since the U.S. dollar cut-



Ali Ghulam said his life in London, where he lives after relocating from Baghdad in 2018, has been turned upside down since his banks were blocked from dollar transactions. Top, Ghulam at his home in London in July; above, his home's exterior.

off. His \$40 million house, recently renovated with a basement lap pool and a parrot aviary, is just a few blocks from the U.S. ambassador's residence. After a fitness walk, he often heads to favorite restaurants in his Rolls-Royce SUV.

"The system is bad, but every bank in Iraq was operating under the same system," he said. "Why did the Americans bring this system?"

## New controls

Two dozen other Iraqi banks have since been banned by the U.S. from conducting dollar transactions.

New rules imposed since late 2022 by the Central Bank of Iraq under U.S. pressure require banks to disclose final recipients of wire transfers. The New York Fed around that time began carefully monitoring wire transfers out of Iraq's official accounts, rejecting any that didn't comply with standard procedures for international money transfers, officials said.

The Iraqi central bank also announced plans to do away with its current system for wiring dollars overseas by the end of this year. The bank didn't respond to requests for comment.

"The previous system allowed some misuse of these channels, such as transactions involving fictitious exporters," Ali Mohsen Al-Alaq, the Iraqi central bank governor, said in August to the country's news agency. Iraq is "establishing direct relationships between Iraqi banks and correspondent banks, bypassing the need for execution through the Central Bank or the Federal Reserve," he said.

A spokeswoman for the New York Fed said in a statement: "Working in collaboration with [the Central Bank of Iraq] and the U.S. Treasury Department, we will continue updating and refining our compliance controls to best prevent abuse of our payment channels."

The U.S. maintained its role in processing wire transfers so Iraq could "continue to conduct international trade in a high-risk environment, including during the war with ISIS," said a Treasury official, adding that the system was "valuable to U.S. national security."

Even though the U.S. occupation of Iraq ended in 2011, the dollar remains popular with ordinary Iraqis and businesses, functioning almost as a second official currency.

Cargo planes still deliver pallets of U.S. currency—Iraq's oil sale proceeds—to the Iraqi central bank, totaling as much

as \$10 billion a year, and as much as \$35 billion or more a year flows electronically.

As part of the process of moving those dollars into the economy, the Iraqi central bank conducts a daily cash sale of dollars for dinars at a fixed rate. Banks can then resell the dollars at the higher unofficial rate offered by private exchange houses and dollar traders, legally generating instant profits. In a separate procedure for overseas wire transfers, Iraqi banks deposit dinars at the central bank, which messages the Fed to send an equivalent amount of dollars to foreign accounts specified by the banks, a system unique to Iraq.

When Iraq's powerful militias saw the dollars to be made from the system, they started taking over private banks. They then entered the business of wiring money abroad, abusing the system by using fraudulent or inflated invoices for nonexistent imports, according to Iraqi officials and bankers.

Once the funds arrived abroad, usually in the United Arab Emirates, the dollars were withdrawn as cash or moved through informal channels known as hawala, which have few controls. The central bank of the U.A.E. didn't respond to requests for comment.

Some of the funds ended up with Iran's IRGC, which used its close ties to Iraqi power brokers to skim off unknown amounts, according to the U.S. Treasury. Some of the money ended up back in Iraq in the hands of militias and other powerful entities, including bankers.

## The dollar king

Ghulam's rise through the Iraqi banking sector began after the 2003 U.S. invasion. The power vacuum "allowed many impoverished Iraqis to amass wealth amid the social unrest," according to K2 Integrity, a firm which conducted the audits of Ghulam's banks for the Central Bank of Iraq.

Ghulam opened a Baghdad clothing business that was a front "for selling U.S. dollars on the black market," according to the audits, which included multiple interviews with unnamed Iraqis described as well-acquainted with Ghulam's family and career. He joined the Mahdi Army, a Shia militia group led by a cleric with close ties to Iran that battled U.S. troops in the early years of the U.S. occupation, the audits said.

Ghulam, in interviews with the Journal, said those accounts of his background are false, spread by his rivals. He said he has no ties to militias but that most other bankers did. "Working in Iraq, if you don't have your own militia, it's very, very hard,"

In 2008, he said, he established a currency-exchange company and started buying up shares of Iraqi Middle East Investment Bank. He was married to a woman who had been a teller there, and who had told him back in 2002—when his father's Baghdad bakery had an account at the bank—that there was good money to be made in currency trading.

Also in 2008, he was kidnapped at his Baghdad home



Iraqi central bank governor Ali Mohsen Al-Alaq, shown in 2018, said Iraq is making changes to its banking system.

and certificates of origin.

Ghulam's banks transferred the funds to only five little-known companies. All of the recipients had accounts at a single Dubai bank but almost no online presence and little indication they were capable of exporting goods to Iraq at the scale of the payments they received.

"The exact business activities and precise locations for the customers remain unclear," one of the audits concluded, and payments lacked "apparent economic/business purpose."

One of the biggest recipients was Silicon Valley FZE, a U.A.E. company whose registration said it specialized in trading electrical equipment, building materials, electronics and spare parts. Its business license was suspended by U.A.E. authorities days after Ghulam's banks were banned by the U.S., according to the audits. The owner, Omar Awad Zahmak, declined to comment, saying through an intermediary "all of his business in U.A.E. had stopped."

The audits said that once the funds were transferred to Dubai companies, they were then distributed to 163 other recipients in the U.A.E., most of whom were "wholly unidentifiable" from the bank's records.

Ghulam, in the interviews, said his clients were Iraqi merchants, not Iranians, and the round-dollar amounts moved to the U.A.E. were due to the system established by the U.S. and the Iraqi central bank, which he said preferred to bundle dollar transactions into round amounts to keep the number of daily wire transactions limited.

"It's very possible," he added, that a portion of the dollars he moved might have ended up in Iran, but only after the funds were no longer under his banks' control.

## Pilot program

The K2 audits didn't trace the funds to Iran, but unnamed individuals "knowledgeable about the Iraqi financial sector" told the auditors that Ghulam has ties to "Iran and Iranian-backed militia groups." One said that Ghulam sent Iran over \$1 billion in 2021. Another told auditors he smuggled cash and gold bullion to Lebanon, Syria and Iran on behalf of a former Iraqi prime minister. The audits said it wasn't possible to corroborate Ghulam's reported relationships with Iranian and Iran-allied individuals and entities.

People interviewed told the auditors that Ghulam had a connection to Hamad Al-Moussawi, who helped him forge connections to Iran-aligned militias and with the Iranian embassy in Baghdad. Al-Moussawi, an Iraqi banker, has been sanctioned by the U.S. for money laundering and support of terrorist-designated groups.

Al-Moussawi owned Baghdad's Al-Huda Bank, one of the banks banned and also sanctioned by the U.S. A Treasury statement in January said the bank "exploited its access to U.S. dollars" to send funds to the IRGC and to Kataib Hezbollah, an Iraqi militia group with ties to Tehran that has been designated a terrorist organization by the U.S.

Ghulam said he has known Al-Moussawi for years but hasn't had much contact with him since 2018. Al-Moussawi didn't respond to requests for comment. Ghulam said he is still hopeful the Fed will restore his access to dollars, which U.S. officials said is unlikely.

The U.S. clampdown has substantially reduced the illicit dollar transactions by Iraqi banks, U.S. officials and Iraqi bankers said. The Fed still handles some transfers from Iraqi banks but only after the recipients of the dollars are verified by K2, U.S. officials said. The Iraqi central bank plans to eventually route all Iraqi wire transactions through international banks, instead of the Fed.

At the urging of the Fed, the Iraqi central bank has established a pilot program in which four Iraqi banks process dollar transfers through Citigroup, which checks where the money is going before approving the transfer. As much as \$800 million a week now flows through the program, following standard international regulations. Karen Kearns, a spokeswoman for Citi, declined to comment on the program.

But the U.S. moves haven't halted Tehran's attempts to use Iraq as a source of dollars, Nelson, the now-former Treasury undersecretary, said: "Iran continues to seek to abuse the international financial system not only in Iraq, but throughout the region, and frankly wherever they have the opportunity to do so."

by armed men in police uniforms. He was released 19 days later after his wife's father paid a \$900,000 ransom, he said.

In 2014, he took control of Iraqi Middle East Investment Bank after buying out the second-largest shareholder, he said. When the bank's founder, formerly the largest shareholder, balked at his choices for the board of directors, Ghulam showed up at a board meeting with armed men to install his relatives and associates, including a cousin who became the board's chairman, according to Iraqi officials and bankers.

Ghulam said the men accompanying him were bodyguards he had employed since his kidnapping. He denied that he had used intimidation to take over the bank, saying that as the new majority shareholder he had the right to name board members.

The bank gave Ghulam access to the system that drew on dollars held in the New York Fed. Working through the Iraqi central bank, he soon turned the business of transferring payments abroad into a bonanza. He acquired two more banks and became the biggest player in the business.

## Red flags

The K2 audits showed that Ghulam's banks sent a total of \$3.5 billion outside Iraq in the six months before the 2022 ban, all in huge round-dollar amounts to just a handful of obscure companies in the U.A.E.

The smallest transfer was for exactly \$2,970,000, and the largest was for exactly \$17,000,000. In the six months audited, one Iraqi company sent precisely \$243,000,000 in 17 payments through Iraqi Middle East Investment Bank. The audit called the round numbers a red flag for money laundering because such amounts are almost never seen in legitimate business transactions.

Documents reviewed by the auditors showed Ghulam's banks sent the funds on behalf of a tiny group of clients, many of whom had opened their accounts at the banks on the same day in 2016.

Invoices said the payments were for "general goods" or "carpets" or "vehicles" or other broad categories, including, in some cases, "all types of goods." The audits said the invoices had limited identifying information and "appeared unsuitably simple given the complexity of payments," and lacked supporting export documents such as bills of lading



## Parents Try to Opt Their Kids Out of Classroom Technology

After working to ban phones in schools, they are now seeking a return to pencil and paper



**FAMILY & TECH**  
**JULIE JARGON**

Parents worried about how much time students spend on iPads and laptops during school are trying to opt their kids out of classroom tech. They're finding it isn't easy.

Cellphone bans are taking effect in big districts across the country, including Los Angeles and Las Vegas. The next logical question, at least for some, is: What about the *other* screens? These concerned parents argue that the Covid-era shift that put Chromebooks and tablets in more students' hands is fueling distraction more than learning.

Teachers and school systems point to the ease of online instruction and say switching for just one student puts a burden on teachers. Tech is woven so deeply into lesson plans and assessments that students using only pencil and paper would be at a disadvantage, they add.

Andrea Boyd of West Des Moines, Iowa, has spent a couple of years pushing for less school technology for her two children. When her son Colin's school is-

sued him an iPad in the sixth grade, he couldn't put it down.

Boyd checked his activity history to see what he was doing on it all day: He was watching YouTube.

When Boyd asked the school to take back the iPad, school administrators told her they couldn't guarantee Colin would have the same quality education without it, she says. She repeated that request this summer, and asked for a no-screens curriculum for her daughter, Madeline, who just started middle school. The two kids, now just a few weeks into sixth and eighth grades, have been iPad-free.

There have been some hiccups. Colin was given a teacher's laptop on which to answer AI-generated math questions. Boyd says she reminded the teacher that she had requested a full tech opt-out, no exceptions.

A spokeswoman for the Waukee Community School District, where Boyd's children attend classes, says the district tries to accommodate all families, including those that ask not to have district-issued devices for their kids. Only a handful have done so, she says.

### Under no obligation

Not all districts are willing to work with families—nor must they. Unless a state law says districts have to allow parents to opt



▲ Emily Cherkin is trying to opt her seventh-grade daughter out of school tech this fall.

out of a particular curriculum, schools are under no obligation, says Julie Underwood, a school-law expert and dean emerita of the University of Wisconsin-Madison's School of Education.

Parents have told me that teachers and principals say lots of classroom instruction consists of interactive games and can't be turned into worksheets. Not all schools purchase physical textbooks anymore; many only offer



▲ Andrea and Aaron Boyd have requested that their eighth-grade son, Colin, and sixth-grade daughter, Madeline, not have school-issued iPads this year.

them as ebooks. Five parents told me they have switched their kids to private or charter schools, which still use pencil and paper, as a result.

Requesting a screen-free education for a certain child adds to teacher workloads. That's harder now as schools face teacher shortages, says Noelle Ellerson Ng, the School Superintendents Association's associate executive director of advocacy and governance.

"Who's going to create that worksheet? Who's going to identify a textbook? It seems like a small ask, but it's a lot more work," Ellerson Ng says.

### No laptop, no internet

Emily Cherkin requested in June to opt her seventh-grade daughter out of school tech for this fall at a Seattle public school. A former teacher who now coaches parents and schools on balancing kids' screen use, Cherkin says she isn't convinced that screen-based learning is as good as paper-based learning.

She tried to use an internet opt-out form she found on the Seattle Public School district's website, but learned that the district's internet policy hadn't been updated since 2011. She says an IT person informed her that the district couldn't cut out technology altogether, it could only block her daughter from conducting internet searches from school devices.

Cherkin pushed back, saying she didn't want her daughter to have any internet access or a laptop.

This week, a district official emailed Cherkin to say that a full internet opt-out isn't possible because so much of the curriculum is online.

"We do not believe that successful preparation for today's world can occur without educating students in the use of technology," the administrator said in the email viewed by the Journal.

A spokeswoman for Seattle Public Schools declined to comment.

Some parents are seeking a middle ground.

Jodi Carreon was planning to opt her fifth-grader out of classroom tech this fall but decided instead to push for more discerning technology use at school. She's convened about 70 parents in her San Diego-area district to ask officials about using laptops only when they're needed.

She worried that opting her son out entirely would be seen as antagonistic, and says she wants to work with the district.

"The biggest thing I would like to see is a pilot program of low-tech classrooms," she says. "Chromebooks were introduced without strong evidence of their benefit. I think it's time that we treat ed-tech like the experiment it is, and properly test it."

## These Colleges Make New Graduates Rich

By Kevin McAllister

No U.S. college is better at improving the financial futures of its graduates than the Massachusetts Institute of Technology, according to the 2025 Wall Street Journal/College Pulse rankings.

While the overall college rankings consider factors like student experiences and graduation rates, the best-salaries list looks only at metrics related to graduate earnings and return on investment.

Prestigious private colleges and universities occupy the upper tier of the list, with Stanford University placing No. 2 and Princeton University coming in at No. 3. In total, private universities claimed 36 of the top 50 spots on the salary list.

Beyond MIT, other colleges with robust STEM programs also finished strong: Georgia Tech landed fourth, the California Institute of Technology sixth and Harvey Mudd College seventh. The Missouri University of Science and Technology, the Milwaukee School of Engineering and the Michigan Technological University also landed in the top 15.

### Behind the rankings

The criteria for the best-salaries list are twofold. To secure a top position, colleges need to put graduates

on lucrative pathways at the beginning of their careers and keep the price of attendance in check.

When measuring financial success, the Journal and research partner Statista looked at income data 10 or 11 years after students entered college, combining that raw earnings data with the extent to which those earnings outpaced expected salaries, which were modeled on research done by the Brookings Institution. To gauge affordability and return on investment, the Journal drew on research from public-policy think tank

Third Way, analyzing how long it would take for the salary premiums that graduates earn over the salaries of comparable high-school graduates to cover the estimated total cost of a four-year degree.

Top-ranked MIT excels in each facet of the ranking. Two-thirds of a school's score on the salary list comes from graduates' median early-career earnings, and MIT graduates have the highest median, \$133,793, of any ranked school. The school is also in the top 3% of ranked schools on the value list, the cost/benefit analysis that makes up the remaining third of the score.

Part of what sets MIT apart from other schools for Chris Martinez, a sophomore studying electrical engineering and computer science, is the

TOP TEN COLLEGES FOR BEST SALARIES		
BEST SALARIES RANK	COLLEGE	BEST SALARIES SCORE
1	Massachusetts Institute of Technology	99.3
2	Stanford University	98.4
3	Princeton University	97.9
4	Georgia Institute of Technology, Main Campus	97.6
5	University of Pennsylvania	97.4
6	California Institute of Technology	96.6
7	Harvey Mudd College	96.6
8	Babson College	96.2
9	Missouri University of Science and Technology	96
10	Carnegie Mellon University	95.1

Source: WSJ/College Pulse 2025 Best Colleges in the U.S. ranking

success stories from alumni, who he says have been surprisingly easy to get hold of when he makes networking calls. In Martinez's conversations with them, they all tended to hark back to their time at the university and their classes there as a catalyst for what helped them get ahead.

At MIT, paths to successful careers often stem from in-class experiences. Former MIT students con-

tacted for this story were generally quick to credit influential professors and their classroom methods, such as teaching critical thinking.

### Culture of entrepreneurship

At Stanford, students point to its culture of entrepreneurship and the pipeline into tech companies as one reason why its graduates see success early in their careers.

"It's not uncommon for a Stanford kid to graduate and instantly land a \$200,000-plus job at some tech company in the area," says Daniel Sun, a rising senior studying physics, math and music while also working on a coterminal master's degree in applied and engineering physics.

For Emily Suh, a rising junior studying public policy, the entrepreneurial spirit on campus and the extent to which students collaborate were a differentiation point for Stanford, especially as they relate to career success.

"There are always people advertising their startups and offering doughnuts if you sign up for their app," says Suh. "People are always looking for people to start projects with."

While many of the colleges at the top of the list are household names, looking just at salary outcomes for graduates surfaces lesser-known colleges, too, that are greatly increasing the financial prospects of students.

For Cylan Burns, who's on track to graduate from No. 9 Missouri University of Science and Technology in December with a degree in engineering management, enrolling in the college was an easy choice, in part because he could see the positive outcomes of graduates.

Burns has held three internships and traveled to South America twice to complete rainwater and pipeline systems evaluations with the university's Engineers Without Borders chapter.

"I'm not really worried about getting a job just because I have that experience," says Burns. "I feel like they've set me up really well for success."

## PERSONAL JOURNAL.

# ‘Carnivore’ Men Put Their Health at Steak

Overindulging in red and processed meat is linked to medical issues, but the American male’s love for it runs deep

By ANDREA PETERSEN

American men have a meat problem. Meat provides many beneficial things: It’s a good source of protein and vitamins and minerals like iron, zinc and B12. But eating too much—especially processed products and red meat—is linked to health problems. Research links processed meat such as sliced ham and bacon to heart disease, stroke and some types of cancers, and unprocessed red meat may raise the risk of diabetes.

And today, American men are eating far more food in the meat, poultry and eggs category than federal guidelines recommend, largely because they’re chowing down on red and processed meat.

Men 20 years old and older eat about 40 ounces of meat, poultry and eggs each week, compared with the 28 to 33 ounces the U.S. government recommends for most men up to age 60. Young and middle-aged men eat even more. High-protein diets such as keto remain popular, while the “carnivore” diet where people eat only or almost exclusively meat has gained traction, too.

Men eat 23 ounces of red and cured meats each week, compared with women’s 13.4 ounces, according to federal data.

“Men associate meat with strength and power, particularly red meat,” says Rob Velzeboer, a researcher in the Men’s Health Research Program at the University of British Columbia, who was the lead author of a paper on men, meat and masculinity published in the spring in the *American Journal of Men’s Health*.

He notes that public-health messages encouraging people to consume less meat may be counterproductive for many men.

## Craving red meat

Some studies have found that men with more traditional views of masculinity eat more meat. Men say they enjoy the taste of meat more than women say they do and associate eating meat with strength, research has found.

“There’s the idea of social dominance of a human man dominating other animals,” says Daniel Rosenfeld, a social psychologist in the department of psychology at the University of California, Los Angeles.

Men who ascribe to two particular aspects of stereotypical traditional masculinity, supporting the use of violence and placing high importance on sexual virility, eat more meat than other men, according to a study of 557 Australian and English men published in 2024 in the journal *Ecology of Food and Nutrition*.



▲ Eddie DeLaRosa tried a version of the ‘carnivore’ diet for a month before a vacation.

Other men say they eat a lot of meat because they feel leaner and fitter when they do.

Eddie DeLaRosa eats grass-fed steak about four times a week. “My body craves red meat,” says the 55-year-old certified personal trainer in New York City. He avoids processed foods and eats vegetables like kale and spinach.

This spring, he ate even more meat for a month when he tried a version of the carnivore diet ahead of a beach vacation. “I was going



▲ Brandon Bauch eats meat most days. His wife made him a platter that says ‘Meat on a Plate.’

to Jamaica in a couple months and wanted to get ripped up,” he says.

## Health concerns

Doctors and researchers are most concerned about processed meat, which includes cured and smoked

products. The meat is typically loaded with sodium and often includes nitrites, preservatives used to prevent bacteria growth and extend shelf life. Excess sodium increases blood pressure, which raises the risk of heart attack and stroke. Studies have linked nitrites to colon cancer.

Some studies have shown that unprocessed meat consumption is associated with heart disease and premature death. Other research has found only a modest link or no link to cardiovascular disease.

Steak and hamburgers have high amounts of saturated fat and cholesterol, and red meat increases LDL, or the “bad” cholesterol, says Dr. Walter C. Willett, a professor of epidemiology and nutrition at the Harvard T.H. Chan School of Public Health.

There are also a growing number of studies showing that meat consumption raises the risk of diabetes. Scientists aren’t sure why, but some researchers believe that the heme iron in red meat is at least partly to blame. Heme iron can cause inflammation and may

damage the pancreas and reduce the secretion of insulin, says Dr. Dariush Mozaffarian, a cardiologist and professor of nutrition and medicine at Tufts University.

## How much to eat?

If you do like steak and burgers, how much should you eat? One hamburger a week or one 12-ounce steak a month is a good limit for red meat, Willett says. And choose unprocessed meat over processed products like bacon, deli meat and sausage.

If you cut back on meat, don’t swap in ultra-processed foods loaded with sodium and sugar.

“Unprocessed red meat is probably better for you than most packaged and processed starch and sugar-rich foods. But it’s not better for you than seafood and fruits and vegetables and nuts and seeds,” says Mozaffarian.

For some men, cutting back on meat is a nonstarter.

Brandon Bauch of Austin, Texas, eats meat pretty much every day, usually steak or chicken and occasionally bacon. Bauch is so known for making a meal of a hunk of meat, and only meat—no vegetables, no other sides—that his wife made him a platter that says “Meat on a Plate.”

“It’s just kind of how I was raised,” says Bauch, 53, who was born in Texas and works in the mortgage industry.

MY RIDE | BY A.J. BAIME

# A Private Detective Found His Trans Am

Joe Grandsen, 53, a professional trumpet player and singer living in Atlanta, on his 1979 Pontiac Firebird Trans Am, as told to A.J. Baime.

In the small town where I grew up—Williamsville, N.Y.—everybody loved cars. I saw “Smokey and the Bandit” when I was in high school, and couldn’t get enough of the black Firebird Trans Am that was in it. I saw the same model car in “Rocky II.”

I saved money for two summers, and, in about 1988, I found a Trans Am similar to the one in “Smokey and the Bandit” for sale in Rochester, N.Y. I bought it for (I think) \$5,000.

I didn’t know it at the time, but I was buying a special-edition Y84 Trans Am, with a Pontiac 400-cubic inch V-8 engine and a stick shift. Without even knowing, I had bought what is now considered a collector car.

Throughout high school, the Trans Am was my identity. After a couple of years of university, I went on tour with the Tommy Dorsey Orchestra for about a year. When I quit that

band, my parents were moving to Atlanta, so I moved there to finish college. I drove the Trans Am from Buffalo to Atlanta. When I arrived, I realized that I wasn’t going to be able to pay for college and gas. I had to let this car go. Selling it was a brutal decision.

Through the years, I dreamed of finding the car again. One day, around 2017, I stumbled on a TV show called “Trans Am” and saw a car like the one I had owned. My 8-year-old son was with me. I said, “I used to own a Trans Am like that one.” He said, “Dad, you have to go find that car!”

That hit me. I went into full search mode.

I called a guy named Rick Deiters of Trans Am Specialties of Florida. He put a photo of me and the car from when I was in high school on



his social media. Amazingly, the guy I’d sold the car to in 1993 saw that photo. He called me and said, “I remember your driveway. Your father was there. You were so upset about selling this car!” He no longer owned the car, but was able to find an old insurance card that had the

vehicle identification number. We figured out that the last time the car had been registered was in 2002, in Alabama. But now the trail went dark, again.

I hired an Atlanta-based private investigator, who sounded on the phone like he could have been a character in “Smokey and the Bandit.” I don’t know how he found the car, but he did. It was still in Alabama, and had been sitting under a tree for about 20 years. I drove up there with a flatbed and cash.

Back in high school, I was waxing the car when I

Joe Grandsen’s 1979 Pontiac Firebird Trans Am was restored to look the way it did when he drove it in high school.

left a buffer on the right front fender. It burned a little of the paint. When I saw the car again after decades, I immediately noticed that stain. It was as if it was winking at me. I had tears in my eyes.

The owner and I struck a deal for \$6,000, and I had Rick at Trans Am Specialties restore the car. The job started during Covid-19 when everything was shut down. The car came home this past July. The old engine was gone, so now it had an LS2 V-8 engine out of a Corvette.

My son is now 14, and he can’t believe it. It will be his someday. It will stay in the family—this time, forever.





## SPORTS

## NFL's New Kickoff Rule Falls Flat

The first week of the season featured a radically altered kickoff—along with the league's first \$60 million a year quarterback, booming field goals and a disappointing debut for Kirk Cousins



The Cardinals' DeeJay Dallas returned a kickoff 96 yards for a touchdown on Sunday. It was the first return for a score in Week 1 since 2018.

By ANDREW BEATON

Last year, the NFL knew it had a problem: one of the sport's most exciting plays was trending toward extinction, right in front of everyone's eyes.

Years of changes to the kickoff, all of them designed to make a notoriously dangerous play safer, also had the consequence of reducing how often the ball was actually returned. Most of the time, kickers just blasted the ball through the back of the end zone in what was starting to feel like a waste of everyone's time.

Which is why, over the offseason, the league instituted one of the most radical changes to the game since the introduction of the forward pass. The new dynamic kickoff, as the league calls it, orders the two sides to line up closer to each other and creates an area between the end zone and the 20-yard line where the ball has to be returned.

When it finally made its regular-season debut, this funky new twist produced a mix of fireworks—along

with signs that it may not revitalize the play quite as much as the league had hoped.

Heading into Monday night's action, 34% of the kickoffs in Week 1 were returned. That's an uptick from only 21.8% of kicks that were returned last season, but it's hardly the surge some expected. Teams have learned that a seemingly innocuous late tweak made to the new format means there's hardly an incentive to give the returning team a shot to bring the ball back.

When NFL owners, coaches and league brass assembled in March and discussed this new rule, there was a late amendment to the proposal. Initially, if the ball were booted past the landing zone and into the end zone, the returning team would get to start their drive at the 35-yard line. Instead, that was changed so that touchbacks would result in bringing the ball to the 30.

It was a seemingly small adjustment, but those 5 yards warped the calculation every kicking team faces. The NFL's internal projec-

tions for the new kickoff showed that it expected returns to be brought out to around the 28- or 29-yard line on average, which is exactly what happened over the course of this preseason. That means under the old version, teams could have saved themselves 6 or 7 yards by allowing the ball to be returned. Under the current one, the kicking side risks giving up a big play—all to save maybe a yard.

That's why it wasn't terribly surprising that some teams seemed perfectly content to operate just as they had last year—turning the play into no more than a perfunctory touchback. In the season-opening game on Thursday night, when the reigning champion Kansas City Chiefs escaped with a dramatic 27-20 win over the Baltimore Ravens, Chiefs kicker Harrison Butker launched the ball into the end zone on every one of his kickoffs.

Granted, there were also some glimpses of what the NFL was looking for: a kickoff that comes with more juice. The Arizona Cardinals' DeeJay Dallas delivered the signa-

ture highlight when he took one 96 yards for a touchdown—the first return for a score in the opening week of the season since 2018. Even before Monday's game, there have already been more return yards than in any week from last season.

Still, going forward, Dallas could become a victim of his own early success. That's because he's already shown what he's capable of when given a chance to return the ball. And there's barely any penalty if opposing teams choose to never give him that shot.

#### The Data

While kickers were in the spotlight for their role in the new kickoff, they wound up stealing the show during the opening week for their role in a different part of the game. Long field goals from distances that were once rarities have become increasingly common in recent years. Last season, 21.7% of attempts came from 50-plus yards—the highest rate on record.

And this year began with a historic bang: Kickers connected on 19

field goals from at least 50 yards. That's the most ever in a single week, surpassing the record of 15 set last season. Houston's Ka'imi Fairbairn and Pittsburgh's Chris Boswell hit three apiece, with Boswell nailing six total field goals to account for all of his team's scoring in an 18-10 win over the Atlanta Falcons.

There was a moment when it appeared that Dallas kicker Brandon Aubrey had tied the NFL record with a 66-yard make. But the play was blown dead because of a delay-of-game penalty—and Cowboys coach Mike McCarthy opted not to let him try from 71 yards away.

#### The Decision

The biggest move on Sunday landed before the games even kicked off: the Cowboys inked quarterback Dak Prescott to a contract extension. And it was particularly notable because of how much money he got: \$60 million a season.

That will make Prescott the NFL's highest-paid player—even though you won't find many people arguing that he's actually the best quarterback around. So how come he was he the one to land a record-breaking deal?

Prescott possessed one attribute that few quarterbacks can boast in their negotiations: an extraordinary amount of leverage. He was set to become a free agent after this season, and Dallas didn't have the option of forcing him to stay with a franchise tag, which teams often use to prevent star players from hitting the open market. So the Cowboys knew they had to pay Prescott—or risk another team doing exactly that next year.

Hours after news of the deal emerged, Prescott rewarded his bosses by leading Dallas to a 33-17 blowout win over the Cleveland Browns.

#### The Debate

The Falcons had a bizarre off-season. First, they landed quarterback Kirk Cousins in free agency with a four-year, \$180 million deal. Then, they also used the No. 8 pick on a quarterback, Michael Penix Jr. out of Washington.

In the short term, the team hoped that Cousins could capitalize on the team's arsenal of offensive weapons and quickly turn the team into a contender. It turns out he could end up on the hot seat quicker than most expected: Cousins struggled in his Atlanta debut while throwing two interceptions and leading only two scoring drives.

If the rough performances continue, the Falcons could have a quarterback controversy on their hands—with fans knowing that Cousins's replacement is already waiting in the wings.

JASON GAY

## Tom Brady Was a QB God. As a TV Analyst, He's Incomplete.



Let us acknowledge that Tom Brady became Tom Brady by bettering other people's first impressions. Faint praise

and low expectations were the rocket fuel that motivated Brady's ascension and otherworldly success as a quarterback, to the point the early skepticism is a cherished part of Brady's origin story.

It's a cliché by now. If you want Brady to become very good at something, you should probably first tell him he's not very good at it.

In that spirit: Tom Brady can be better on television. He can be better by a bunch.

Brady made his booth debut Sunday for Fox television, calling a Dallas Cowboys rout of the Browns in Cleveland.

He was a big deal because he is a big deal: a reported \$375 million over 10 years, the most anyone's ever earned for wearing makeup while talking about blitzes and fumbles.

In the weeks leading up, Brady talked excitedly about his preparation and process. He sounded the part and he sure looked the part. It wasn't hard to find optimism out there that maybe, like winning all those Super Bowls, this handsome guy would be annoyingly great at this, too.

He's not. At least not yet. Brady has been immediately installed into the No. 1 booth alongside play-by-play veteran Kevin Burkhardt after Fox moved aside the prior analyst, Greg Olsen. It is the opposite of a "soft" opening: Brady is stepping straightaway into the largest games, the biggest tent. His network hailed his arrival with the sort of fever typically reserved for papal selections and moon landings.

Is it weird that we still care about who prattles on during a



Tom Brady has been installed into Fox Sports' No. 1 booth alongside play-by-play veteran Kevin Burkhardt.

football game? It might be. There's little data to suggest on-air personalities move the needle that much.

In terms of getting a rating, the matchup on the field is far more important. Digital distractions are relentless: I assume anyone watching the NFL in 2024 is flipping between four channels, monitoring an open laptop and sending text messages on a phone while screaming at the dog to stop eating Cheetos.

At the same time, criticism of on-air talent has never been more ubiquitous. A generation ago, a duo in the booth might need to duck the arrows of a few TV writers like Rudy Martzke or Tom Shales. Now everyone with a Twitter account is a brutal observer, and there is no shortage of Brady haters irritated by years of him

dominating other teams. Social media roiled with instant blowback, with virality awarded to the most cutting attacks.

Brady will dive into that mosh pit every weekend. Here's what can improve:

**Flow:** This is the hardest part of the job, and the first place to get better. Brady was a little all over the place, especially early in the game. He would start thoughts and dip out, he would interject at odd times and let things trail off...everyone does this at first. Tony Romo still cramps Jim Nantz's vibe, years later. It takes time to get used to another person's pace and a producer truck in your ear. Brady will learn the rhythms of the booth, and by mid-season this should be smoother.

**Insight:** Brady's value add is the spectacular football knowledge

he gleaned over two decades playing. He doesn't need to blandly varnish returning Cowboy Ezekiel Elliott: "What a great player he's been since coming into this league, they love having him back."

Or this of a pass play: "It's one thing to throw it, it's another thing to catch it." Or hopefully incite a Browns drive: "You've got to gain something on second down or you're in another third-and-long." This type of happy talk can be weeded out. (It didn't help that this game was a one-sided dud.) Brady's a football Jedi at a time when the minutiae of football have never been more welcome...let's hear him get granular.

**Voice:** His voice...well, it's his voice. As a person with the type of squawky voice that frightens birds and triggers car alarms, I am wary

of discussing another voice, but it is fair to say Brady doesn't possess one of those beloved football baritones, like John Madden, who sounded like an anthropomorphic blocking sled. This is nothing that four decades of cigars and whiskey can't cure, but the health-obsessed Brady doesn't seem ready for the smoking lounge. Instead he will learn to regulate his voice, to know what he sounds like when he's too excited, to work with pitch and control.

**His Case:** The fear with TV Brady has always been that he was too good at football to be good at talking football, that the best analysts tended to be observers, not superstars. He can overcome this.

Brady's best moment arrived late in the game when he offered a bit of candor during a discussion of the coarse coaching style of Cowboys assistant Mike Zimmer. "I played with a coach who wasn't afraid to cuss out his players, either," Brady said, drawing a chuckle. The 47-year-old then went on a lengthy rant about players being pumped full of praise by agents and associates, and the need for hard coaches to challenge them.

"I was the beneficiary of a lot of that hard coaching," Brady said. "I have no problem with any coaches that feel they need to tell their players the truth. Because you don't get a lot of truth all the time as an NFL player."

That's the good stuff right there: insightful with a little bit of dish on Brady's heyday. (He's not talking about Bruce Arians, gang.) It's the sort of honesty Brady will need from himself and others as he navigates this high profile and merciless position. It was a wobbly debut for a TV rookie, with plenty to work on in practice, but I keep going back to this: He's Tom Brady. Underestimation is part of the brand.

# OPINION

## Press Failure Inflates the Debate



**MAIN STREET**  
By William McGurn

Presidential debates typically don't determine the outcomes of elections, notwithstanding the large television audiences they draw and the dramatic moments they produce. But Tuesday night's dustup between Donald Trump and Kamala Harris may be different. Press failure has inflated it into the seminal event of the Trump-Harris race. Because reporters haven't insisted that Ms. Harris answer basic questions, the debate, moderated by ABC News, may provide the only moment in the 2024 election when Americans get to see how Ms. Harris performs under pressure.

This failure would be appalling at any time, but the circumstances of Ms. Harris's campaign turn simple media bias into journalistic malpractice. The vice president secured the top slot on the Democratic ticket without having to contest a single primary—and therefore without having to lay out and defend her record. This leaves her largely unknown to American voters, a situation Ms. Harris is now exploiting to reinvent herself as a moderate challenger rather than a woke incumbent.

In addition, Ms. Harris is a mother lode of unanswered questions on most of the issues that once defined her. This includes her previous

support for everything from defunding the police and banning plastic straws to getting rid of Immigration and Customs Enforcement and starting from “scratch,” stances she now apparently disavows. An appearance by Sen. Tom Cotton (R., Ark.) on ABC's “This Week” in August shows how the press lets her off the hook. When Mr. Cotton brought up Ms. Harris's support for eliminating private health insurance, which the Medicare for All policy she espoused in 2019 would do, host Jonathan Karl interjected that Ms. Harris has said she no longer holds that position. Mr. Cotton pushed back. “She has not said that,” he correctly pointed out. “Anonymous aides,” he said, may have said that she no longer holds the position she once did, but we haven't heard it from the candidate herself.

Ditto the big CNN interview, for which Ms. Harris brought along running mate Tim Walz to cut in to the time she would have to take questions. Moderator Dana Bash did make a show of asking why Ms. Harris flipped on fracking. But she wasn't pressed on her biggest non-answer of the evening—“My values have not changed.”

It's unlikely Ms. Bash or CNN would accept such an evasion from Mr. Trump or his running mate, JD Vance. When Mr. Vance did his own interview with Ms. Bash, she rightly grilled him on abortion and comments he made about Mr. Walz's characterization of his service in the Minnesota

National Guard. But it's worth watching the two interviews to see the very different tones Ms. Bash took toward Mr. Vance and Ms. Harris.

In short, Ms. Harris is getting a pass. Bad enough that 56 days from the election, she still isn't giving interviews or holding news conferences. The

**Coverage of the Harris campaign is biased. Worse than that, it's malpractice.**

far greater scandal is that a free press isn't demanding that she do so.

It's hard to fault Ms. Harris. Her strategy is a sign that she knows her liabilities. Her campaign is trying to get through the next eight weeks avoiding events where she might have to answer an unscripted question or explain details of, say, inflation. Team Harris knows they don't go very well for her.

Take the recent rollout of her economic platform, most notable for her call for a federal ban on “price gouging.” Even the Washington Post called her plan full of “populist gimmicks.” And former Obama administration economist Jason Furman told the New York Times that it is “not sensible policy.” Message taken: Better to stick to fuzzy, feel-good themes like “joy” or to call Mr. Trump a felon.

It isn't the first time a Democratic presidential candi-

date has benefited from a domesticated press. One reason Ms. Harris is her party's nominee is that the press covered up President Biden's mental decline. By the time the June 27 debate with Mr. Trump exposed Mr. Biden's condition for all the American people to see, it was too late for primaries. It was much the same in 2020, when the New York Post broke the story of Hunter Biden's laptop three weeks before the election. Because the computer contained evidence of Hunter's sleazy overseas business dealings while his dad was vice president, the press buried it.

Today the received wisdom is that sooner or later Ms. Harris will have to give interviews and press conferences like a normal candidate. Perhaps. But she has a decent shot at winning the White House because her campaign is running out the clock before anyone can ask her a tough question.

On Tuesday night at the National Constitution Center in Philadelphia, Ms. Harris and Mr. Trump will have at it for 90 minutes. Ironically the low expectations for Ms. Harris may be an advantage. All she has to do is not humiliate herself and her performance will be hailed as a triumph.

If the press corps did its job, we'd all know more of what we need to know about Kamala Harris and what kind of president she'd make. But because it won't, it's all on Donald Trump to do that job himself.

Write to [mcgurn@wsj.com](mailto:mcgurn@wsj.com).

**BOOKSHELF** | By Andrew Roberts

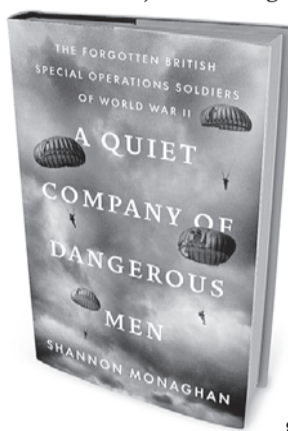
## Bravery, Daring, Stiff Upper Lip

**A Quiet Company of Dangerous Men**

By Shannon Monaghan  
Viking, 400 pages, \$32

In 1943, as the tide of the war was turning against Germany in North Africa and at Stalingrad, it became imperative to tie down the 30 Axis divisions then stationed in the Balkans, to prevent them from being used on the Eastern Front. Because it was geographically and logistically impossible to commit large numbers of regular troops to do this, it fell to the British Special Operations Executive to try to foment local guerrilla operations that would achieve the purpose.

“A Quiet Company of Dangerous Men” tells the story of four British officers, members of SOE, who were parachuted into Nazi-occupied Albania, and it follows their later adventures as well, both during World War II and afterward,



when they fought against Soviet expansionism across the globe. What Shannon Monaghan, an independent historian, calls “the bravery of exceptional men in the face of incomprehensible danger” always commands respect, and her well-researched and riveting narrative is a fitting tribute to the four paladins.

Their story has everything one might expect from a war movie such as “Where Eagles Dare” or “The Guns of Navarone,” except that it genuinely happened. Compasses in buttons; gold sovereigns sewn into clothing; exploding briefcases; nighttime ambushes; the blowing up of bridges; extraction by submarine; a king called Zog: This book has all that and more.

The four officers, whom the author describes as “a real British ‘Band of Brothers,’” were Julian Amery, Peter Kemp, Billy McLean and David Smiley. They are storied warriors in Britain but little known further afield, and their military exploits were all the more remarkable for having been carried out with dry, witty one-liners, eccentric dress (McLean sported a red cummerbund, Smiley a white Albanian fez), and the ever-present stiff upper lip. Peter Kemp preferred to sleep on enemy corpses rather than on wet ground.

Amery first met Kemp in a ditch while under shellfire during the Spanish Civil War. “Amery, Eton and Oxford,” he said by way of introduction. “Kemp, Wellington and Cambridge,” came the reply. Amery had been a classmate of Smiley's at Eton, and McLean was originally an officer in the Royal Scots Greys, of Waterloo fame, before joining SOE. Ms. Monaghan is particularly good at eking out their back stories, not least the effect on three of them of losing brothers as a result of the war.

This is a profoundly moral book, giving a vivid sense of the daring required of its principal subjects and briskly taking to task the sinister forces arrayed against them—not least James Klugmann, a Soviet mole in SOE's Cairo headquarters. Recruited in England in the 1930s, Klugmann had brave agents murdered after they landed clandestinely if he thought they might help the anticommunist forces in Albania. The author shows how the Communist partisans under Enver Hoxha put Marxist-Leninist ideology and the internecine struggle for postwar dominance over the campaign against the Germans and Italians. “For all their protestations about pinning down German divisions and fighting the Hun,” Ms. Monaghan writes, “the Communists collaborated and shared information with the Germans when it suited them.”

**Ambushes by night, missions to blow up bridges, extractions by submarine—real-life heroics behind enemy lines.**

Some historians have questioned the need for SOE, which although thought of as a small unit in fact employed 13,000 people at its largest point, not including the local manpower that worked for those gold sovereigns. The historians note that SOE's activities—kidnapping generals, carrying out assassinations, destroying infrastructure—drew down a terrible retribution on local populations, so much so that its efforts might be viewed as counterproductive. Ms. Monaghan is having none of it and concludes that, for Britain, the organization “was an effective use of manpower for a relatively small island still under siege and standing alone.”

Ms. Monaghan certainly doesn't pull her punches when it comes to certain individuals in SOE. Brigadier Cleveland Keble, who ran the staff office in Cairo, is described as “belligerent, unable to take criticism, single-minded to a fault, and hypocritical when he wasn't being underhanded.” The bureaucratic infighting in SOE's Cairo HQ is described as “borderline obscene.”

Neither does the author indulge in the nowadays almost compulsory whining about the supposed evils of the British Empire. The book is refreshingly old-fashioned, telling its story in an exciting way, full of original material and arresting quotations. When Hoxha is prattling his propaganda over a map of the Balkans, Smiley remarks: “I too would like to see this map painted red all over, but not the sort of red you mean.” The four men's witticisms and amusing understatement were clearly part of a coping mechanism for the strains they were under from the moment they landed in enemy-occupied territory.

Julian Amery—whom I knew and visited in what Ms. Monaghan rightly calls his “storied house on Eaton Square”—was the statesman of the group, who later had a distinguished career in Conservative politics. Ms. Monaghan reveals that he was chosen for the mission despite having next to no knowledge of Albania, besides having once, as a journalist, interviewed King Zog, the man who, in 1928, had “turned Albania into a monarchy and declared himself king,” only to be sent into exile when the Italians invaded roughly a decade later.

Such was the success of Amery and his comrades that when D-Day took place in 1944, there were several German divisions still fighting in the Balkans that might otherwise have been in Normandy. Still, it is important not to overromanticize the war in the Balkans. “If I had been entranced before I came to Albania by the romance and glamour of guerrilla warfare,” Kemp recalled of watching women and children flee homes that were being bombed by Axis planes, “this was a sobering reminder of its squalor and injustice.” The struggle of these four men against totalitarian injustice was noble, and this book memorializes it superbly.

Mr. Roberts is the author of “The Storm of War: A New History of the Second World War.”

## Foreign Entanglements Are Risky Business



**GLOBAL VIEW**  
By Walter Russell Mead

Linda Sun is under federal indictment for, among other things, allegedly acting as an unregistered Chinese agent. This is more than a personal tragedy for Ms. Sun and an embarrassment for Gov. Kathy Hochul, for whom Ms. Sun served as deputy chief of staff. It is a sign of a changing climate around Americans' engagement with foreign governments. As challenges to the Pax Americana mount, close ties with America's rivals carry reputational and legal risks for individuals and firms.

In the 1930s, Ford Motor Co. struggled to keep its German business viable after Hitler came to power. To curry favor in Berlin, Ford's German subsidiary fired Jewish employees and had to accept Nazi influence in hiring managers and setting policies. In the end, Ford lost control of the subsidiary and its assets. The company suffered lasting reputational damage for its connection to heinous acts (including wartime use of slave labor) that its American-based directors were powerless to prevent.

Today, American companies with significant footprints in countries like Russia and China face pressures similar to those Ford did in the

1930s. Then as now, what looks like the cheapest course—accommodating foreign government pressure to protect in-country assets and market access—carries large but hidden and unpredictable costs.

The rules can change fast. During World War II, the Soviet Union was America's most important military ally, and many liberals and Democrats agreed with Franklin D. Roosevelt that postwar cooperation with Moscow was the road to lasting peace. The battle over whether America should align with Britain (still an imperial power struggling to hold onto as many of its colonies as possible) or “progressive” powers like Stalin's Soviet Union tore Democrats apart in the early years of Harry Truman's presidency.

During the period of friendly relations, many influential U.S. officials tried to tilt America's postwar policy in a direction favorable to, or at least compatible with, Stalin's interests. Some of these people were conscious agents of the Soviet Union. Others acted out of a mistaken belief in a community of interests between Stalin's Soviet Union and the U.S.

But the rules changed as Stalin's true purposes became harder for all but the fuzziest-minded to ignore. Those who had favored U.S.-Soviet accommodation were seen to have been wrong. Those who gave information or assis-

tance to the Soviets were seen as dupes at best, traitors and spies at worst.

Some found themselves in a terrible trap. The Soviets weren't above using blackmail to keep their old friends in line. Those who as hot-headed young people fell for the allure of communism in the 1930s and enjoyed chatty relationships with Soviet officials in wartime could be blackmailed into further cooperation by threats to reveal

**If you have ties to U.S. adversaries, consider Ford's World War II predicament.**

embarrassing or incriminating details about their past activities.

As the public woke up to the degree of Soviet penetration of key American institutions ranging from Hollywood to the Manhattan Project, the determination to identify and punish pro-Soviet traitors became a driving force in American politics. Like so many waves of passion in mass democracies, this went too far at times, triggering McCarthyite excesses as well as healthy reforms that enhanced national security.

There are some differences. In the old days Red and Pink Hollywood screenwriters and directors made pro-communist movies out of

conviction; today Hollywood executives kowtow to Beijing to make money. Nevertheless, amid today's populist skepticism about Wall Street and big business on the left and the right, companies that have deep links with China will, like Ford in the 1930s, come under increasing pressure from both sides.

If U.S.-China relations continue to deteriorate, actions, advocacy and relationships that looked normal and benign in the warmer climate of the past will begin to appear sinister. And public opinion is likely to turn with a vengeance on those who crossed or are believed to have crossed the line into becoming assets of a hostile autocratic regime. It won't be only about China. As American society adjusts to a more threatening international climate, all relations with foreign governments and entities will come under closer and less sympathetic scrutiny.

If 30 years ago the key to business success was embracing the opportunities of a rising China, today the key to avoiding catastrophe is navigating the dangers of decoupling. Prudence as well as patriotism should lead companies and individuals to stick closer to the flag as the global scene darkens. Those who fail to move with the times could face serious consequences in the new environment that is, unfortunately, taking shape.

## From ‘Man of Letters’ to a Mailbox of Junk

By Joseph Epstein

Of the 40 or so emails I am sent each day, 30 or more aren't worth reading, including five or six from Team Harris-Walz asking me for money. The mail will contain at least 90% junk, most of it asking for money. Bumf, all of it, pure bumf—a Britishism that means documents or information you don't need.

Yet this bumf is part of my quotidian life, and my guess is that yours isn't so different. How did so much of the traffic of our lives devolve into so much unwanted stuff?

Of all the bumf I receive, I most resent that which comes in the mailbox. More than 40 years ago I wrote an essay titled “Man of Letters,” whose first sentence is: “My definition of a pessimist is a person who doesn't check his mail.” I wrote that the mail gave me a feeling of “abject hopelessness.” I haven't changed, but the mail has. One recent week I twice neglected to bother

picking up my pile, confident there would be nothing of interest in it.

A standard day's mail these days includes some bumf from Morgan Stanley or J.P. Morgan, an appeal from an organization that promises to repair the cleft palates of poor kids here and abroad, another to save wild animals, a furniture catalog, a magazine I regret having subscribed to, a ballot to vote in an AARP election, two or three appeals for funds from Jewish organizations, and a few bills. How to describe the feeling of totting this junk back to my apartment? I can't think of the precise antonym for delightful, so I shall have to settle for dreary.

Email has cut into old-fashioned correspondence, and there is much to be said for its convenience. One needn't find stationery, affix a stamp to it, nor walk to a mailbox to send it on its way. Yet receiving an email somehow feels less substantial than receiving

a serious letter. To this day I recall the first acceptance letter I received, for an article I wrote 65 years ago. I carried it around for almost a week, taking it out in private to reread three or four times a day.

I remember letters from my mother, all of which began, “Hope you are well as it

**Correspondence used to be an art form. Email extinguished it through convenience.**

leaves us the same.” (A strange sentence doubtless learned in a high-school business-letter writing course.) I received letters from literary friends now deceased—John Gross, Hilton Kramer, Dan Jacobson—filled with thoughtful sentiments, swell humor, rich gossip. Was it T.S. Eliot who said that every truly enjoyable personal letter ought to con-

tain at least one scandalous item?

As written by Alexander Pope, Jonathan Swift, Horace Walpole and others, collected letters have been long considered an art form. More such collections are unlikely to appear in the years to come, owing to the dominance of email and digital culture.

I receive a modest number of letters from strangers. Many of these praise my writing, find parallels between their lives and mine. Some include lengthy essays they want me to read and even privately published books for which they are seeking blurbs. Some I answer, some I let sit well beyond the time of a polite reply. To most I want to send a single-sentence response, one that used to appear at the close of letters in the 1930s: “Write if you find work.”

Mr. Epstein is author, most recently, of “Never Say You've Had a Lucky Life.”

## OPINION

## REVIEW &amp; OUTLOOK

## The Shadow of Biden's Afghan Debacle

A House committee has released a report on the Biden Administration's Afghanistan withdrawal in 2021, and the press is dismissing the effort as partisan. But credit to GOP Rep. Michael McCaul for adding to public knowledge about a debacle whose consequences continue to harm U.S. security and bear on the stakes in November's election.

The House Foreign Affairs Committee report is a 350-page indictment of President Biden's choices at every point, a portrait of a Commander in Chief "determined to withdraw." A litany of military advisers counseled that the Afghan government would collapse if the U.S. removed the small complement of 2,500 troops in country.

Gen. Kenneth McKenzie, who ran U.S. Central Command at the time, told the committee "he was unequivocal in his advice to the president." Mr. Biden's national security adviser Jake Sullivan conducted a review of U.S. policy in Afghanistan—and allowed Gen. Austin Scott Miller, the senior U.S. commander in Afghanistan, to attend merely "a single NSC deputies meeting," the report says. Mr. Sullivan comes in for particular criticism.

The Administration also failed to plan properly for the possible evacuation of Americans. The committee "uncovered that the size of the U.S. Embassy Kabul instead grew during the retrograde," owing to "a dogmatic insistence" on keeping a diplomatic footprint.

The report says "a significant amount of classified information was left to the Taliban" in the eventual rush to leave. U.S. personnel recalled a scramble to destroy documents and a bonfire in the Embassy courtyard.

The President's refusal to maintain 2,500 troops meant the U.S. abandoned Bagram Air Base with its secure runway. That meant the evacuation had to be conducted in a panic from Kabul's civilian airport, with security assistance from the Taliban. That nightmare resulted in 13 dead American service members from a suicide bomber. The report says "at least four Afghan civilians, including children," fell to their deaths clinging to departing U.S. planes. The White

House hailed the evacuation as if it were a Dunkirk-style triumph, when it was really a chaotic humiliation.

## A damning House report reveals details and consequences that the press wants to ignore.

The Biden Team says Donald Trump left them little option after he negotiated a deal in 2020 with the Taliban to withdraw in 2021. As we said at the time, Mr. Trump struck a bad deal—not least in excluding the Afghan government from the talks.

But Mr. Biden has shown no such deference to Mr. Trump's other policies, and the Taliban was violating its Doha promises in any case. Mr. Biden wanted out by the 20th anniversary of 9/11 for the political symbolism, and he imposed his own catastrophic political timetable. He owns that choice.

The press is wrong to consider this old news because the U.S. is still living with the damaging consequences. The report says the Taliban is even now holding seven American citizens, and the fate of Afghan women is horrific. Meanwhile, Afghanistan is again becoming a haven for the jihadists of ISIS-K and al Qaeda. The Islamic State attacks on Moscow and Iran could be preludes to an attack on U.S. targets. The Biden Administration "has not conducted a single strike against ISIS-K since 2021," the report says.

More broadly, the Afghan withdrawal marked the end of credible American deterrence during the Biden Presidency. You can draw a straight line from the withdrawal to Vladimir Putin's decision to roll into Ukraine, or why the Iran-backed Houthis in Yemen aren't afraid to fire missiles at commercial ships in the Red Sea.

Vice President Kamala Harris has trumpeted that she was the last person in the room when Mr. Biden decided to withdraw. What did she tell him? Mr. Trump or the moderators at Tuesday's debate should ask Ms. Harris whether she still stands by Mr. Biden's decision.

The most important duty of the next President is restoring U.S. deterrence to prevent a larger war. If Ms. Harris defends Biden's withdrawal, then we'll know she doesn't understand the dangerous world we live in.

## Lights Out in La La Land

Meet modern life in Los Angeles. On Sunday night the Hollywood Bowl had to cancel a concert because of a city power outage. On Saturday a brief blackout disrupted a University of Southern California football game. Why aren't La La Land's progressive leaders upset? Maybe because they're partly responsible.

Heat waves with triple-digit temperatures are unpleasant, though not unusual during the summer in the South and West. Yet Los Angeles's electric power system suffered widespread failures this weekend as temperatures surged, causing more than 70,000 utility customers in the city and surrounding neighborhoods to lose power, including the Los Angeles Coliseum and Hollywood Bowl.

Tens of thousands of Californians in other parts of the state also lost power, but L.A.'s grid meltdown was the worst. Its municipal utility, the Los Angeles Department of Water and Power (LADWP), faulted overloaded cables and overheated equipment. Customers were told they might not get power back for more than 24 hours. Better crash at a friend's place—and hope it doesn't lose power.

## How Tim Walz Defines Free Speech

Democrats are campaigning on "freedom," but it pays to watch how they define it. In Gov. Tim Walz's Minnesota, it doesn't include free speech for employers.

A federal court next week will hear a challenge to a 2023 Minnesota law that bars employers from discussing "religious or political matters" at mandatory meetings. The latter includes elections, government regulations, laws and whether to join or support a union. This seems to mean that employers can't criticize Mr. Walz, advocate for pro-business policies or discourage unionization.

Democrats say employees shouldn't be obliged to attend "captive audience" meetings in which employers express their views about unions or government policies. But workers aren't captive. They're paid to listen. They can disregard their bosses' opinions or quit.

Employers argue in their lawsuit that the law burdens their First Amendment rights and is pre-empted by federal law. They will now have to watch their every word at company meetings. Mr. Walz crowed at a North America's Building Trades Unions legislative conference this spring that employers who violate the law "go to jail now."

He was exaggerating since the law doesn't carry criminal penalties. But the state can dun employers, and workers can sue them for damages. This chills the speech of employers, which is the point of the law.

Mr. Walz claims the law is needed to protect workers from employer "coercion." But the National Labor Relations Act already forbids employers from punishing employees for supporting a union or engaging in other "protected

L.A. Mayor Karen Bass blamed the outages on "extreme heat." But the electric systems in Arizona, Texas and Nevada withstand sizzling temperatures without buckling. Why can't L.A.? Perhaps because the municipal utility has prioritized the city's climate goals over hardening its system and replacing aging equipment.

Former Los Angeles Mayor Eric Garcetti in 2021 announced plans to put the city "on the fast track to a 100% renewable energy future." He was joined by LADWP leaders and Energy Secretary Jennifer Granholm, who declared the city's "study" would be "proof that the clean energy transformation is not only possible, but preferable." Sure, if you don't mind blackouts.

LADWP has been spending heavily on building out green energy and subsidizing electric vehicle chargers. But something has to give, and that has been electric reliability. The utility has skimped on grid repairs to prevent rates from surging even more than they have. Since January 2021, electric prices in the Los Angeles metro area have climbed 36%.

Los Angeles is a portent of the not-so-bright green future that awaits America if today's climate policies continue.

## Blackouts hit Los Angeles as climate policies wilt in the heat.

concerted activity." It also permits employers to express "any views, argument, or opinion" about unions as long as their "expression contains no threat of reprisal or force or promise of benefit."

Fearing the state could lose the lawsuit, Minnesota Attorney General Keith Ellison says it should be dismissed because the state doesn't intend to enforce the law. Ergo, the plaintiffs lack legal standing to bring the lawsuit.

But Mr. Walz doesn't sound like he plans to let employers off the hook. A month ago he told the American Federation of State, County, and Municipal Employees (Afsme) convention that the law "was the best thing to get sued over I ever said. We're going to continue to ban those meetings."

Democrats want to have it both ways by claiming the state doesn't plan to enforce the law in order to deny plaintiffs the right to challenge it. Yet they're keeping the law on the books with its threat of fines and worker lawsuits as a cudgel to coerce employers into self-censoring.

Democrats plan to do the same if they win control of Washington in November. A top priority will be passing the Pro Act, which lets unions bully employees and employers. The legislation would let the National Labor Relations Board order employers who hold captive-audience meetings to bargain with a union. Workers could also sue employers for violating the law, and the NLRB could dun corporate directors and officers.

Oh, and it would also ban right-to-work laws in 26 states that give workers the choice of whether to join a union. This is the antithesis of freedom.

## LETTERS TO THE EDITOR

## Readers Debate Medical Assistance in Dying

Regarding Nicholas Tomaino's op-ed on Canada's program of medical assistance in dying, or MAID ("Welcome to Canada, the Doctor Will Kill You Now," Sept. 3): Where government's role in healthcare is substantial, rationing is inevitable.

In the U.S., diagnosis-related groups (DRGs), capitation and certificates of need are good examples. In Canada, governmental control of healthcare is more complete than it is here. Witness the hospital ethicist's warning to Roger Foley, as related in the op-ed. Mr. Foley's failure to embrace euthanasia could cost him his insurance, doubtless Canadian Medicare, leaving him liable for charges "north of \$1,500 a day."

With governmental healthcare, it doesn't take long for the "right" to suicide to become a duty to commit suicide. Voters may wish to consider the consequences, potentially fatal, of voting for politicians favoring Medicare for All.

J.P. McMENAMIN, M.D.  
Richmond, Va.

I can't help but think that a society that seems increasingly willing to kill its inconvenient unborn children will also be willing to kill those on the other end of life, as they become increasingly inconvenient with the infirmities that take over as we age.

PEGGY JUDGE  
Berrien Springs, Mich.

MAID is currently legal in 11 jurisdictions in the U.S. It was first legalized in Oregon in 1997, and Oregon continues to serve as the legal model for other states, all of which have adopted several safeguards that differentiate the U.S. from Canada:

First, a diagnosis of a terminal illness with six months or less to live is required. Second, patients must self-administer the medications. Third, patients must be deemed to have the legal capacity for decision-making at the time of ingestion.

From 1997 to 2023, 2,847 Oregonians have used MAID. In 2023 it represented around 0.8% of state deaths. These figures are typical of other U.S. jurisdictions where MAID is legal.

MAID represents a compassionate option for terminally ill people who are suffering. Even though a very small portion of eligible people make

use of MAID, it can provide comfort and peace of mind for those who know that it is an option. Twenty-six years of experience with MAID demonstrate that the fearmongering simply isn't applicable to the U.S.

MARK SAVAN  
Scottsdale, Ariz.

I find it disheartening that Mr. Tomaino and many others can't see that MAID isn't suicide. The comparison to suicide is an insult to patients who have fought long battles against diseases like cancer. They make a personal choice, for autonomy and self-determination, to hasten their death.

Why should someone have to suffer to their dying breath? What good does it provide to society? Why not call MAID what it is, a self-directed hastening of death for a qualified individual with a terminal illness?

TONY RAY  
Melbourne Beach, Fla.

It is worth quoting the words of Margaret Mead, recounted in Maurice Levine's 1972 book "Psychiatry and Ethics," on the Hippocratic oath: "For the first time in our tradition there was a complete separation between killing and curing. Throughout the primitive world the doctor and the sorcerer tended to be the same person. He with the power to kill had power to cure," she said. "With the Greeks, the distinction was made clear. One profession, the followers of Asclepius, were to be dedicated completely to life under all circumstances, regardless of rank, age or intellect—the life of a slave, the life of the Emperor, the life of a foreign man, the life of a defective child."

Mead continued by noting, however, that "society is always attempting to make the physician into a killer—to kill the defective child at birth, to leave the sleeping pills beside the bed of the cancer patient. . . . It is the duty of society to protect the physician from such requests."

Advocates for MAID argue for a right to die, or at least to get help for that. But a right implies a corresponding duty, in this case, a duty to kill. To those with the letters "M" and "D" after their names: Where does your duty lie?

JON HOLMLUND, M.D.  
Carlsbad, Calif.

## Brown U. Responds on Divestment From Israel

In "Why I Am Resigning as a Brown Trustee" (op-ed, Sept. 9), Joseph Edelman unfortunately misunderstands and mischaracterizes the decision behind the October vote that will be taken by the Corporation of Brown University, our highest governing body, on whether to divest from some companies doing business in Israel.

For almost 50 years, Brown has maintained a process for members of its community to put forth divestment proposals. The decision to respect this long-established process upholds the core belief that any institution must give fair and due process to formal claims challenging its ethical responsibility. This process doesn't presuppose the merits of such claims and offers our university an important opportunity for close

examination and investigation of any divestment proposal. Many other institutions have and are following similar processes.

While Brown University values Mr. Edelman's years of service as a trustee, we disagree that such a process calls into question Brown's leadership or values. The process Brown is following now is the same that has been followed since the late 1970s. It isn't new, and it isn't in direct response to the current student activism. This vote will resolve a long-held question: whether or not our board will support the proposal for divestment. Universities must be places that confront difficult questions.

CHRISTINA H. PAXSON  
President, Brown University  
Providence, R.I.

## The U.S. Navy Isn't Ready for What's Coming

Regarding Jonathan Jordan's review of "The Strategists" by Phillips Payson O'Brien (Bookshelf, Aug. 28): Today's leaders have no familiarity with strategic visionaries like Alfred Thayer Mahan, whose writing informed the views of Roosevelt and Churchill. Our industrial base withers and we cut defense budgets, in real terms, year after year, reducing the U.S. Navy to its smallest since our entry into World War I. Yet we require a strong fleet to project power into strategic locations and maintain freedom of the high seas.

With two U.S. carrier groups in the Mideast minding the Iranians, the Chinese fleet asserts hegemony over the South China Sea and Yemeni tribesmen armed by Iran shut down traffic through the Suez Canal. If the conflict in Ukraine or the situation around Taiwan were to explode, what would we do? The world saw our lack of strate-

gic vision in Kabul three years ago. Vladimir Putin and Iran recognized our confusion and took advantage.

Both candidates for president should lay out strategies for a world at war. Sadly, I doubt either of them recognizes the urgency of the threat.

LORIN FIFE  
Los Angeles

## Qualifications Are Relative

In assessing Kamala Harris's qualifications ("Explain the Harris Back Story," Business World, Sept. 4), Holman Jenkins, Jr., omits one important question: Is she less qualified than Donald Trump? That is the only decision facing voters on Nov. 5.

JIM WOODS  
Littleton, Colo.

## Pepper ... And Salt

THE WALL STREET JOURNAL



## A Confounding Reaction

Regarding your editorial "Sending Hamas to Criminal Court" (Sept. 5): Am I missing something, or is it irrational to be pressuring Prime Minister Benjamin Netanyahu and Israel to make endless concessions to a terror entity whose leaders have been indicted by our government for terrorism, murder and rape?

VICTOR SCHMELZER  
Boynton Beach, Fla.

Letters intended for publication should be emailed to wsj.letters@wsj.com. Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

## OPINION

## You Would Pay Harris's Wealth Tax

By Hal Scott  
And John Gulliver

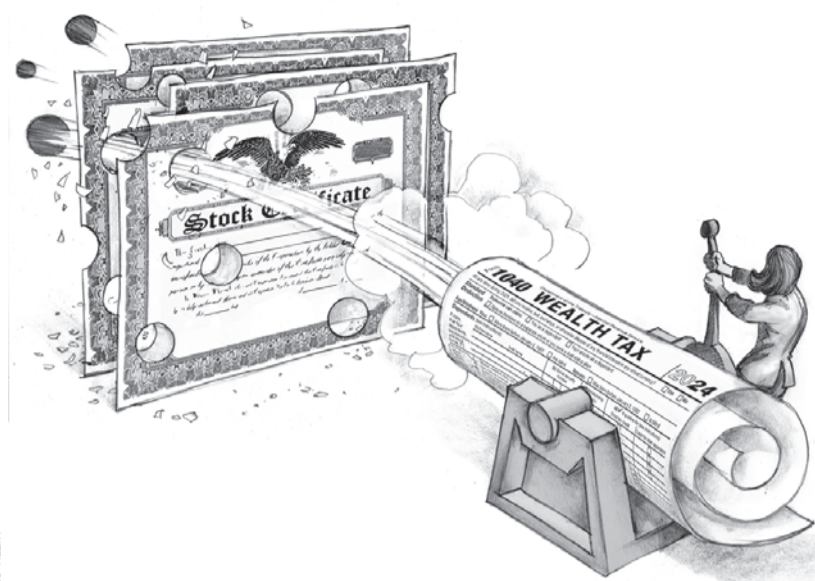
Kamala Harris has doubled down on her support for a radical new tax on the unrealized capital gains of the ultrarich. She calls it the "billionaire minimum tax," but it would be better to call it the "capital markets death tax." It would crush the U.S. stock market, grind initial-public offerings to a halt, and hit you in the 401(k).

Federal capital-gains taxes have historically applied only when an asset is sold and income from the sale is realized. In recent years the left has been looking for a way to increase levies on the wealthiest Americans by taxing the appreciation of their assets, even if their assets aren't sold and income isn't realized. Sen. Ron Wyden (D., Ore.) proposed such a tax in 2021. President Biden offered his support in his 2024 State of the Union address and 2025 budget, which Ms. Harris has now endorsed.

## The selloff caused by a levy on unrealized capital gains would devastate ordinary investors and 401(k)s.

The Biden-Harris wealth tax would apply a minimum annual 25% tax on the income and unrealized capital gains of Americans worth more than \$100 million. Mr. Biden's 2025 budget estimates without justification that this tax would generate \$500 billion in new tax revenue over the next 10 years. He proposes using that windfall to expand social programs for U.S. households in need.

Yet the Biden-Harris wealth tax would send public markets into a tailspin and hurt all investors, not only the wealthiest. Billionaires alone own more than \$5 trillion in



stock, or 7% of the entire stock market. Public stock represents 66% of their wealth, so they would need to sell hundreds of billions of dollars worth of stock to fund their wealth-tax payments. These sales would drive down stock prices and, therefore, returns for all investors. The largest, most innovative and fastest-growing U.S. tech companies would be hit the hardest. Unrealized capital gains are concentrated in these companies.

This wouldn't be a one-time problem. Stock sales would need to continue each year to pay the annual wealth tax. This would be a long-term drag on the returns of all investors, while also reducing the skin in the game of the innovative founders who built these companies. The wealthiest Americans would be entitled to tax refunds in future years if the value of their remaining stock holdings goes down, but that wouldn't diminish the effect of the tax on capital markets.

U.S. taxpayers with assets of more than \$100 million hold approxi-

mately \$4 trillion in unrealized capital gains in the shares of private companies. Selling these investments to cover a tax bill is even more difficult than selling stock in public companies. Private companies generally don't have active trading markets, so finding a buyer can be difficult and the cost of selling high. These sales can also disrupt the growth of private companies, which are often managed by their owners.

The Biden-Harris tax therefore includes an exemption from the proposed wealth tax for ultrarich investors who have 80% of their wealth in nontradable illiquid assets, such as investments in private companies. This would create a major incentive for the wealthiest Americans either to delist the public companies that they control or to keep their private companies from going public in the first place. If the ultrarich respond this way, it would reduce projected tax revenue and hurt all investors by shrinking the size of public markets.

Public markets are already small and getting smaller. In 1996 there

were more than 8,000 public companies in the U.S. Today there are fewer than 5,000. Private markets are increasingly able to support the capital needs of large companies. There are now more than 700 private companies worth more than \$1 billion and more than 40 private companies worth more than \$10 billion. The most innovative and fastest-growing U.S. companies are private. Some are worth more than \$100 billion, including OpenAI and SpaceX. Will Sam Altman and Elon Musk take these companies public if doing so comes with a multibillion-dollar tax bill?

Billionaire founders also have voting control over many large public companies through dual-class share structures and can therefore potentially force a delisting of their public companies to save billions in taxes. Perhaps the trillion-dollar megacap technology stocks are too large to take private, but investors in these companies will suffer too as their billionaire founders shift their attention to private companies where they can better reap the returns of their innovations.

The shrinkage of public markets is a big deal for anyone with a 401(k), as 90% of U.S. investors don't meet the minimum wealth and income requirements to invest in private markets. If Ms. Harris has her way, it could do irreparable harm to Americans' ability to pay for their retirements. The left's desire to punish the ultrarich for their success will end up hurting the rest of us.

*Mr. Scott is an emeritus professor at Harvard Law School and director of the Committee on Capital Markets Regulation. Mr. Gulliver is the committee's research director.*

## Rent Control Is a Great Destroyer

By Amber Gunn

Rent control is in vogue among Democrats. President Biden in July proposed capping landlords' annual increases at 5%, and Kamala Harris vowed to "take on corporate landlords and cap unfair rent increases." Those ideas are destructive, and Argentina offers the latest proof.

When President Javier Milei assumed office in December 2023, he inherited triple-digit inflation and a flailing economy. His "shock therapy" plan to resuscitate the country included eliminating government jobs, contracts and subsidies. Perhaps the most successful measure, however, was repealing a rent-control law the National Congress had passed in 2020.

## The Democrats' proposal would wreak havoc. For proof, look at Argentina.

In a bid to provide renters more economic security, the statute locked landlords into tenant-controlled leases for a minimum of three years and capped rent. The consequences were swift and brutal: 45% of landlords reportedly elected to sell their properties. Many others either converted their units into Airbnb-type short-term rentals or increased rates prior to the law going into effect. As the Cato Institute relates, the average rent for a two-bedroom apartment in Buenos Aires rose from nearly 18,000 pesos a month at the end of 2019 to 334,000 pesos four years later, well beyond the 210,000 pesos a month if the rate had tracked inflation. Since the law's repeal, supply has reportedly rebounded and prices have fallen by double digits.

Mr. Milei knew that a host of socialist ideas—from capital controls to rent control—contributed to the problem. "Ideas that have failed in Argentina have failed all over the planet," he said during a December broadcast.

He wasn't merely posturing. Nearly a century of case studies by economists such as Friedrich Hayek, Milton Friedman and George Stigler have exposed rent control as destructive. Center-left economists have agreed. Jason Furman, who led President Obama's Council of Economic Advisers, has said it "has been about as disgraced as any economic policy in the tool kit."

Opposition to rent control is about protecting people from unintended consequences, be it housing shortages, underinvestment, tenant discrimination or falling property values. It understands that rent ceilings don't relieve housing shortages; they exacerbate them. Secured tenants in rent-controlled environments may not give up their units for decades, even after their needs have changed. Meanwhile, units fall into disrepair as landlords neglect basic maintenance or upgrades, because they can't recoup investments through rent increases. Price-controlled units that can't be converted into owner-occupied units are eventually abandoned, leading to blighted and dilapidated neighborhoods.

Rent-control advocates ignore economic fundamentals. Whenever there is a shortage of any product in a market economy, rationing will occur by price, which consumers determine via bidding. As Friedman and Stigler observed, "Everything that is not as abundant as air or sunlight must, in a sense, be rationed." If rationing isn't done by price, it will be done by force in the form of central planning.

Americans lose sight of this and decry steep increases in rent and evictions in the U.S. Yet their complaints ignore the effect of pandemic-era eviction moratoria, under which many landlords went months or years without being able to evict nonpaying tenants. Once those restrictions were lifted, landlords raised prices to recoup costs, hedge against inflation and deter squatters.

Rental markets are complicated. Rent-control proposals come in various forms and inflict various consequences. The more restrictive the policy, the more drastic the effects. In any iteration, though, it is arguably the worst solution for fixing the housing problem.

As Swedish economist Assar Lindbeck observed, "In many cases rent control appears to be the most efficient technique presently known to destroy a city—except for bombing." No matter how many times we try, we can't outsmart economic first principles.

*Ms. Gunn is a senior policy analyst for the Mountain States Policy Center.*

## Kamala Harris's Ode to Joy on Her Road to Nowhere

FREE  
EXPRESSION  
By Gerard Baker

After almost two months of the most aggressive marketing rollout for a product since Coke reinvented Santa Claus, Kamala Harris has stormed out to a bit more than a 1-point lead in the opinion polls. Give or take. Within the margin of error. Some polls have Donald Trump leading.

It's hard to say whether this meager return for such profligate hype and what remained of the media's credibility is a tribute to the savvy incorruptibility of the American voter or merely a reflection of how ossified our politics have become. With loud amplification by excited journalists, the Harris campaign has spent the summer promising joy, freedom, peace, a secure border, abundant homes, cheap food and the salvation of democracy. After all that, the American merely shrugs and says: I'll get back to you. Ingrates.

And that was the easy part. Shuffling Joe Biden off to a permanent stool at the ice cream counter, launching a campaign with hundreds of millions of eager donors' dollars, tapping a vice-presidential nominee brimming with ersatz bonhomie, staging a convention rich in adulatory unity. Surely we should all have the vibes by now, "white dude for Kamala," exchanging coconut tree memes and proclaiming the significance of the passage of time, right? Can the freshness that the youthful vice president promised so excitedly to pour forth on a country for old men really have gone stale seven weeks after the president (yes, he's still there, in case you had forgotten) passed the glowing torch?

Her opponent has been doing all he can to help facilitate the Harris apotheosis. The former president has spent most of the summer babbling away in the usual fashion, sharing mosquito experiences, casually abandoning yet another tenet of conservative ideas with a promise to protect

"reproductive rights," mugging for the camera among the hallowed dead in Arlington cemetery, and explaining how one of the largest tax increases in American history—his proposal for universal tariffs—would reinvigorate the economy.

To be fair, he was nearly assassinated eight weeks ago, so perhaps some slack can be cut in his direction. Incidentally, can anyone explain the incuriosity of the vital guardians of our way of life about that attempt to interfere in our fragile democracy in such a potentially catastrophic way? We were an inch from the first murder of a presidential candidate in 56 years, and our law-enforcement units seem so far to have drawn a scarcely interested blank on the whole why and wherefore. Meanwhile they have been hyperbusy identifying the real threat to our democratic stability—uncovering an alleged plot by those Russians to pay some half-wit American conspiracy theorists a shed load of money to do what they were doing in the first place.

So we enter the final stages of a campaign that is essentially tied. Voting starts next week in Pennsylvania, where Democrats will hope that the dying embers of the short-lived Harris flame can be fanned suffi-

ciently to heat up excitement in the critical swing state.

Before that, it's debate night again in America. It seems like 11 years but is less than 11 weeks since that other debate, in which President Biden reminisced about "beating Medicare" and presiding over an administration that hadn't lost a single member of the armed forces—and

## An aggressive marketing rollout and a disastrous few weeks for Trump, and the race is still tied.

which was followed by the stunned acknowledgment by Democrats and the media that he really wasn't up to the job after they'd told us how sharp he was.

The conventional wisdom is that Ms. Harris has most to lose on Tuesday as for the first time she faces the possibility that someone will actually ask her to explain herself. But I doubt the showdown will change much. If Mr. Trump is for once able to adopt the stance of a forensic inquisitor and spend the evening chal-

lenging the vice president over her long list of abandoned policies and trying to find out exactly what she has been doing for the last four years, the effect could be productive. But we are all familiar with Mr. Trump's recipe for debate nights: a soup of self-obsessed grievance followed by a salad of nonsense and falsehoods topped off with a heaping helping of bombast.

Even if the debate changes nothing, the odds seem to favor Mr. Trump in November. If all Ms. Harris can get from seven weeks of ecstatic PR is a nudge toward parity, she can't hope for much in the remaining time. And even this nudge leaves her well below where both Mr. Biden and Hillary Clinton were at this stage of the campaign in the last two elections.

Then we await only the inevitable October surprise. Perhaps that will produce one final shake-up in this year of shocks. But I wouldn't count on it. Our politics are so settled, our partisan lines so firmly drawn, that Ms. Harris could be revealed to be a real Manchurian Candidate for Communist China, or Mr. Trump could actually shoot someone on Fifth Avenue, and we'd still be waiting days to count Pennsylvania's mail-in ballots before we know who's won.

## The Other Party Isn't the Enemy

By Don Bacon

At a March GOP meeting in my congressional district, I said, "I am a Christian first, an American second, and then a Republican." Immediately, an older gentleman yelled out, "That is why we don't like you!" I wondered what bothered him more, the Christian or the American part.

Our politics have become toxic. Too many voters treat their political party as the most important thing in their lives. They consider the other side to be their enemy or, even worse, evil. This phenomenon spans both parties.

James Madison designed a constitutional republic that protects the

minority, which means we have to find consensus to govern. He ensured that if the majority says "my way or the highway," it will end up on the highway. But in today's climate, too many prefer getting noth-

## I support Donald Trump, but I'm an American before I'm a Republican.

ing if getting 80% means the other party gets something too. That makes governing almost impossible.

My priorities in Congress are to keep our country secure, our economy strong, and our streets and neighborhoods safe. I admire Presidents Washington, Lincoln and Eisenhower for making the tough but necessary decisions for our country, even when it angered their own parties. I appreciate President Reagan for defeating communism, reinvigorating our military and economy, and restoring our national confidence. His successes often involved collaboration with Speaker Tip O'Neill to find bipartisan solutions.

That spirit of bipartisanship is gone. I won my district's May primary by 24%. Afterward, a local GOP member said, "We will get behind you if you commit to voting in alignment with the party's platform." I told him I vote at least 90% in agreement with our platform. I had also announced in March that I would support Donald Trump's re-election.

That wasn't good enough. Although the Nebraska GOP has endorsed me, none of the three county Republican parties in my district have done the same.

We live in the greatest country in the world. To maintain our greatness, we need more focus on consensus-building and less on hating our fellow Americans. We need to make progress on our national debt and the border, improve our children's education, and modernize our military.

I remember fondly my three decades in the Air Force. We solved problems and executed missions in the defense of our nation. We very seldom knew what party our fellow airmen were affiliated with, but we worked together for the good of the country and our unit. We were Americans first.

Our fellow citizens aren't our enemies. Al Qaeda is our enemy. Vladimir Putin and Xi Jinping want our nation to become weaker so they can bully their neighbors and operate from a might-makes-right agenda. They are our real adversaries.

Amid threats from abroad, Americans need to start demanding more from their elected officials. We need a country-over-party agenda. We need the moral courage to do what's right. We need more statesmen and fewer partisans. We as citizens must want and demand it.

*Mr. Bacon, a Republican, represents Nebraska's Second Congressional District.*

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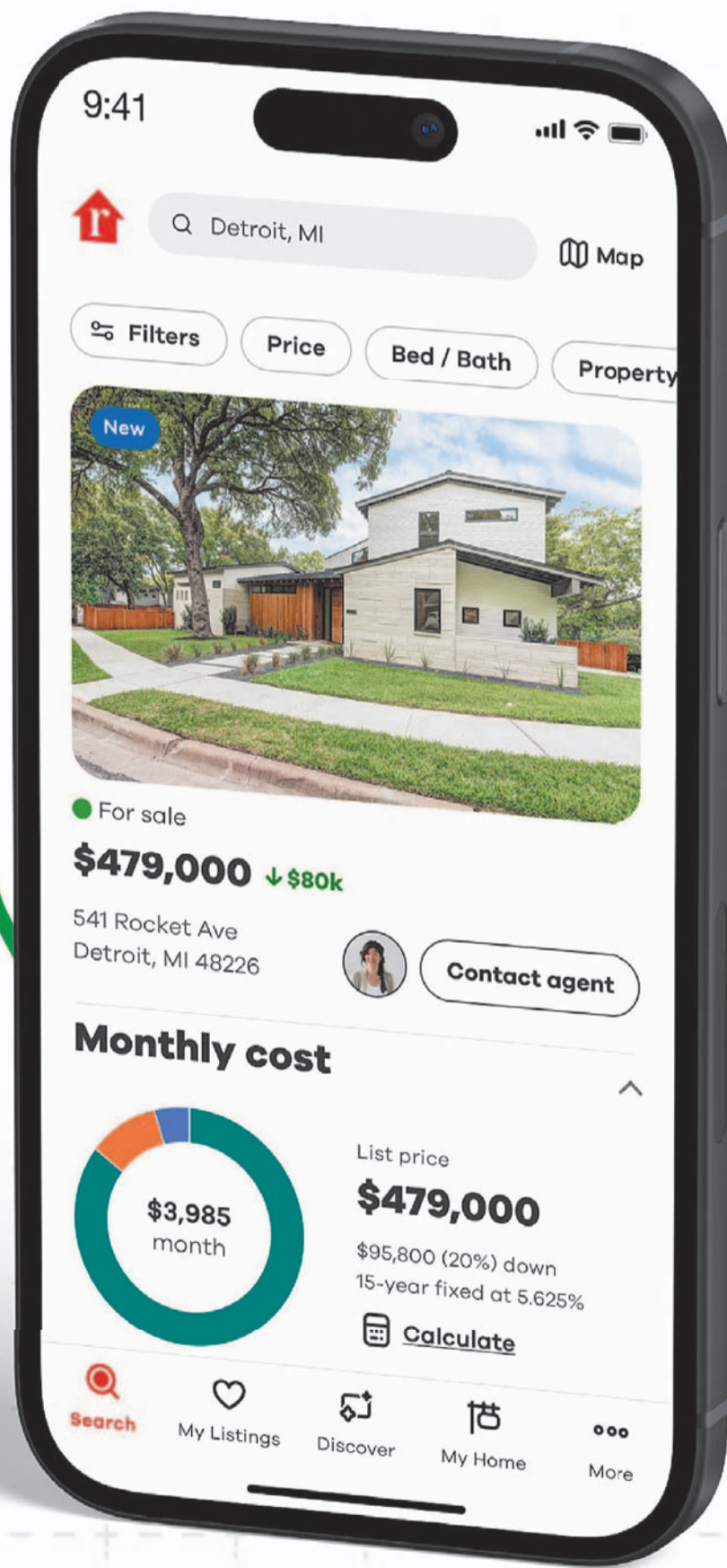
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Market Update

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## Norfolk Southern CEO to Leave

Board probes allegations of relationship with employee at railroad

By ESTHER FUNG AND LAUREN THOMAS

Norfolk Southern Chief Executive Alan Shaw is expected to depart the company as soon as this week amid a board investigation into an alleged re-

lationship he had with an employee at the railroad, according to people familiar with the matter.

Norfolk Southern's board said late Sunday that it had opened an investigation into allegations of conduct by Shaw that violated its ethics policy.

Shaw didn't respond to requests for comment.

Norfolk said that its board had hired a law firm to conduct an independent investi-

gation of the allegations. CNBC had earlier reported on the probe.

Norfolk said it wouldn't comment further until the probe was complete.

Shaw, a three-decade veteran of Norfolk, has had a tumultuous tenure since taking over as CEO in May 2022, including a toxic train derailment in early 2023 and an activist investor campaign against the company earlier this year.

He led the company's response in February 2023 when a Norfolk train carrying toxic chemicals derailed in East Palestine, Ohio, which spawned a massive cleanup operation and efforts from lawmakers to introduce more safety regulations. The company later agreed to a record \$600 million settlement with residents.

Earlier this year, Norfolk fended off an activist investor, Ancora Holdings, which had criticized the railroad's re-

sponse to the derailment and its sluggish financial performance.

Ancora sought to oust Shaw. Ancora scored a partial victory, with shareholders voting to replace three members of the company's 13-person board.

Several high-profile executives have lost their jobs in recent years over personal relationships that ran afoul of company policies, often losing

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## Disney's Feud With DirecTV Brings NFL Blackout

By JOE FLINT

More than 11 million DirecTV subscribers missed out on ESPN's telecast of the season's first "Monday Night Football" game as a contract dispute between the satellite broadcaster and Disney entered its second week.

The two sides continue to negotiate, but remain far apart on a new distribution contract that would return more than a dozen Disney channels including ESPN, ABC-owned TV stations and FX to DirecTV subscribers. The channels went dark on DirecTV's satellite and streaming service as well as on its U-Verse platform on Sept. 1.

At issue are both fee increases Disney is seeking for its networks and DirecTV's desire to have more freedom in how it packages and sells Disney's channels to subscribers. The companies are also haggling over the minimum number of homes that DirecTV must guarantee will receive Disney's channels.

Such disputes and channel blackouts have become com-

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## New iPhone AI Tools Improve On Siri

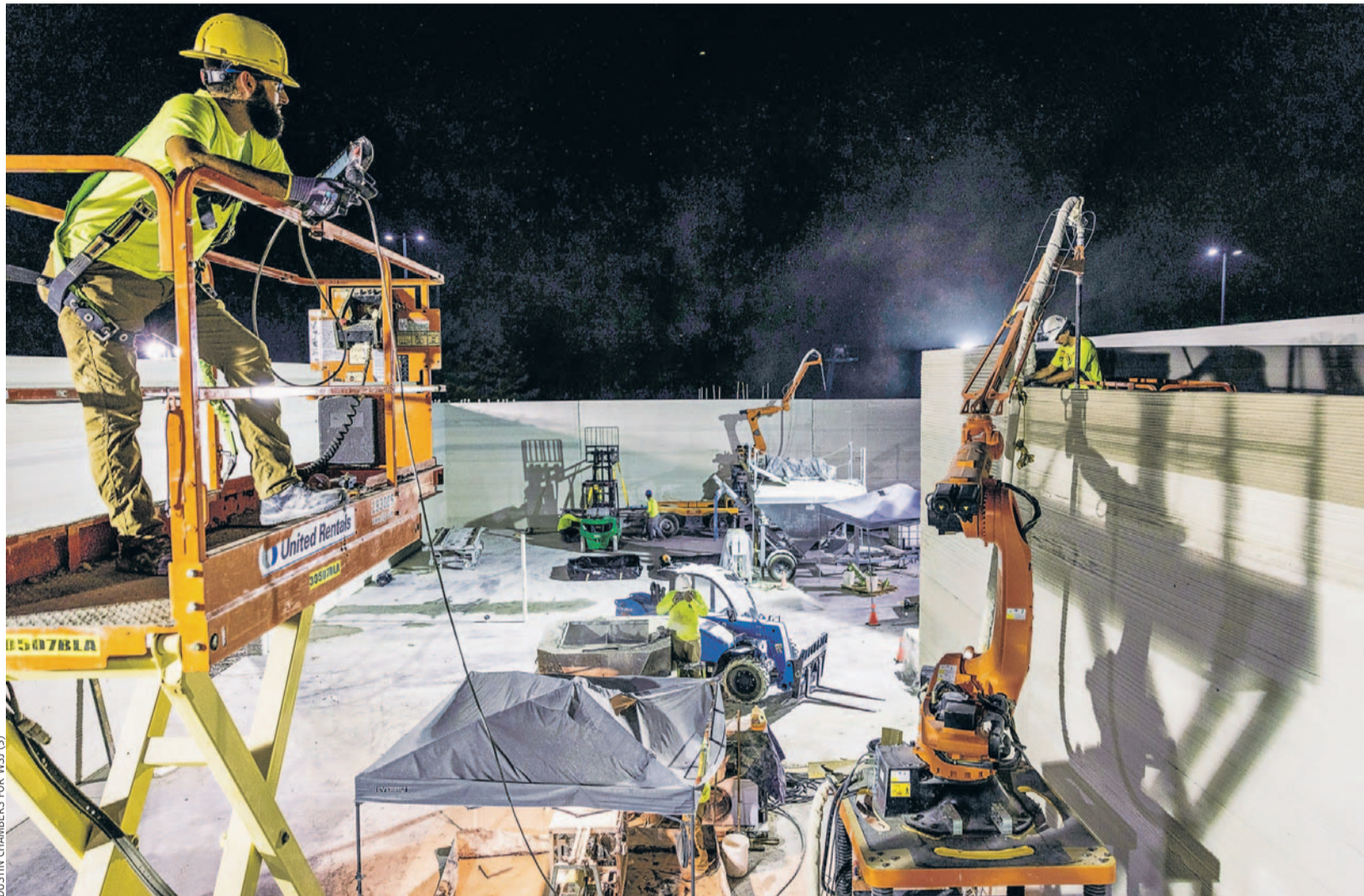
By AARON TILLEY

Apple on Monday introduced a new generation of iPhones that put AI at the forefront of the device's operating system, a test of consumer appetites for such tools.

The new tools—called "Apple Intelligence"—include an improved Siri voice assistant and a variety of text-generation and photo-editing capabilities, and they will be compatible with the new iPhone 16 and the iPhone 15 Pro. Apple announced most of the AI functions in June.

Apple Chief Executive Tim Cook thanked an audience for attending the event at its Cupertino, Calif., headquarters, and said that the new iPhones will be the first "designed from the ground up for Apple Intelligence and its breakthrough capabilities."

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The big-box retailer's 8,000-square-foot expansion of an Athens, Tenn., location is one of the biggest 3-D printed commercial real-estate projects in U.S. history.

## Walmart Tries Out 3-D Printed Construction

By KATE KING

A Walmart Supercenter's new expansion is one of the largest 3-D printed commercial real-estate projects in U.S. history. Its bumpy road to completion illustrates the new technology's promise and shortcomings.

The retail giant added the 8,000-square-foot space to its Athens, Tenn., location to hold items customers buy online for pickup or delivery. Walmart, which has more than 200 other additions like this in the pipeline, wanted to see if 3-D printing could get the job done faster and more cost-effectively.

But working outdoors in Tennessee's summer heat and



high humidity proved to be a problem for this budding technology. The job finished weeks behind schedule after construction crews contended with finicky material and

clogged hoses. The cost of building by 3-D technology also was roughly the same as traditional construction.

"There's a number of things that we've learned," said Pat-



rick Callahan, chief executive of the four-year-old company Alquist 3D, which Walmart hired for the project.

A lot is riding on working out those kinks. Venture capi-

talists have pumped billions into 3-D printing startups in recent years, believing they will soon be able to mass-produce components for the semi-

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## Givenchy Taps Burton As Creative Director

By JACOB GALLAGHER

Givenchy has hired British fashion designer Sarah Burton, previously the longtime design head of Alexander McQueen, as its creative director.

The Paris fashion house, founded in 1952, is known for its long association with Audrey Hepburn, who wore its designs in movies including "Sabrina" and "Breakfast at Tiffany's." The brand is part of the LVMH luxury conglomerate, owned by Bernard Arnault, one of the richest men in the world. It has been without a creative director since Jan. 1, when Matthew Williams departed the role.

Burton's first runway show for Givenchy will be held during Paris fashion week in March 2025. She will be responsible for both men's and women's collections.

In a news release announcing her appointment, Burton referred to Givenchy as a jewel. The label's chief executive, Alessandro Valentini, added

that under Burton, "Givenchy will continue to innovate and captivate an extensive audience across the world stage."

Givenchy has struggled to find a steady creative hand in recent years. Burton will be its fourth creative director over the past decade. During his three-year run at Givenchy, her American predecessor Williams brought to the brand a brooding, streetwise edge that failed to win over critics and consumers.

Burton, 50, joined edgy British label Alexander McQueen straight out of London's Central Saint Martins College of Art and Design. For roughly a decade, the hardworking and taciturn Burton worked as the second in command to the brand's tempestuous founder and namesake. When McQueen died from suicide at 40 in February 2010, she assumed the top design role at the Ker- ing-owned label.

Burton's vision at McQueen was characterized by wit and

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## Starbucks Chief Has Tall Order: Calming an Anxious Workforce

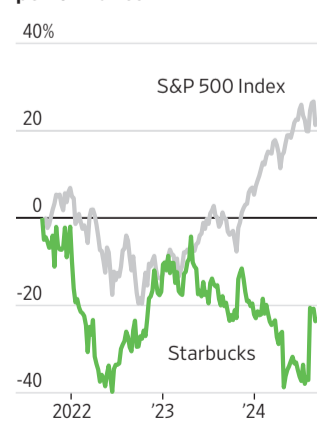
By HEATHER HADDON

Incoming Starbucks Chief Executive Brian Niccol partook in a ceremonial "first sip" of coffee Monday as he reported for his first day of work. For Starbucks employees, it is another change to digest.

The coffee chain's board of directors, investors and longtime leader Howard Schultz have embraced Niccol since his hiring last month, praising the former Chipotle Mexican Grill CEO as the best possible choice to turn around Starbucks' operations and restore its brand after a turbulent few years.

At the company's Seattle headquarters and across its U.S. cafes, the reception is more mixed. Some Starbucks workers said the rapid turnover in the CEO role—Niccol will be the company's fourth in less than three years—is fatiguing. Many said they were hopeful that Niccol's restaurant-industry experience would lead to improvements, though some felt jarred by

#### Share-price and index performance



Source: FactSet

former CEO Laxman Narasimhan's abrupt August ouster, a year and a half into the job.

Niccol plans to host a town hall Tuesday. This week he will also meet with baristas in cafes and employees at headquarters, and start assessing the company's challenges and opportunities.

Starbucks for years has struggled with cafe operations, where orders for often-complex drinks have frequently overwhelmed baristas and created long lines of frustrated customers. Snarled stores and rising prices have contributed to employee turnover and declining traffic, pressuring the company's results.

Over the past five years, Starbucks shares have increased by about 2%, while the S&P 500 stock index has gained around 82%. In recent months, the company has faced activist investors and public criticism from Schultz over its operations.

"Time is of the essence," wrote Rachel Ruggeri, Starbucks' chief financial officer and interim CEO, in a letter to Starbucks employees Monday as she officially handed the role to Niccol.

Starbucks' recent relations with workers have often been uneasy. Three years ago, baristas, frustrated with pay and

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## Walmart Tries 3-D Building

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conductor and aerospace industries. The technology has been touted as a way to alleviate the U.S.'s housing shortage. Proponents say 3-D printed houses have the potential to be built faster and cheaper than traditional construction. In Texas, a community of 100 3-D printed homes is under construction.

But few commercial real-estate projects have been completed using 3-D printing, in part because the technology hasn't proven to be cheaper and faster than traditional construction.

3-D printing, also known as additive manufacturing, builds things by layering material via a computer-programmed robotic arm. Traditional manufacturing, by contrast, whittles away from raw materials, such as a sheet of metal.

In Tennessee, Alquist worked alongside FMGL, a longtime general contractor for Walmart projects. FMGL CEO Darin Ross said the construction site blended his company's "traditional construction guys" with Alquist's tablet-toting, "new technology guys and gals."

It didn't always mesh. Alquist's original pump was incompatible with the material. The material overheated in Tennessee's scorching summer heat; water was used to cool it to the correct temperature for application. And the material's fast-setting nature left little room for error.

The workers eventually found their groove. Printing progressed more efficiently as construction continued, Callahan said. Walmart has hired Alquist for another similar project, and Callahan and Ross say they expect the lessons

learned in Athens will result in a speedier and smoother process.

Alquist has experienced the highs and lows of 3-D printing in the housing market since its founding. An early success came when they joined with the nonprofit Habitat for Humanity's construction crew to 3-D-print three houses in Virginia.

The homes are equipped with monitoring systems installed by researchers at Virginia Tech. The 3-D printed homes are performing better than traditionally built structures in terms of indoor environmental quality, humidity and gases, said Janet V. Green, CEO of Habitat for Humanity Peninsula and Greater Williamsburg.

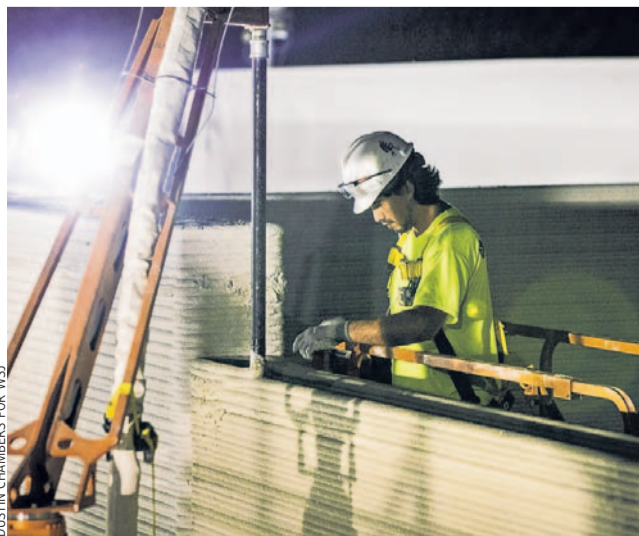
But a subsequent project to 3-D print homes in Iowa wasn't as successful. Alquist tried three different types of material and different delivery systems to construct the exterior walls of the first house in 2023, but superficial cracks emerged and the building was torn down.

"That situation I think exposed the difficulty that 3-D construction printing is at today," said Pete Evans, an assistant professor in industrial design at Iowa State University, a partner on the project. "There are complications around temperature, humidity, water, all kinds of environmental factors."

Alquist didn't complete the Iowa project, which is continuing without it. "The customer and Alquist could not agree on some of the engineering of the design and mutually agreed it was in the best interest to part ways," Callahan said.

As for Walmart, Vice President for U.S. Construction Mike Neill said that he felt the new technology was intriguing enough to try.

"Walmart is always looking to innovate and leverage developing technologies, and as we dug deeper into the opportunities within 3-D concrete printing, we decided it was a direction worth exploring," he said.



Finicky material was one hurdle the Tennessee project faced.

## Starbucks CEO Has Tall Order

Continued from page B1

working conditions, began unionizing. In March 2022, Kevin Johnson, Starbucks's CEO at the time, stepped down and was succeeded by Schultz. Taking over for a third stint as CEO, Schultz reinvested in stores, raised wages for baristas and helped position a permanent successor.

Starbucks picked former Reckitt Benckiser Group CEO Narasimhan, who underwent a six-month training that included working as a barista. But the company's challenges deepened, with Starbucks in April cutting its sales outlook for the second time this year.

Wall Street was enthused last month when Starbucks poached Niccol from Chipotle, bringing to Starbucks restaurant-operations chops that Narasimhan lacked, and turnaround experience. Starbucks's shares have gained around 20% since his hiring was announced.

Internal reactions at Starbucks have been more complicated, according to store managers, corporate workers and

## BUSINESS & FINANCE



Baristas have frequently been overwhelmed by complex orders.

others with the chain, which prizes ritual and tradition. Some employees said they feel like they have navigated years of shifting executive-office priorities and personalities, from Narasimhan's focus on supply chain to Schultz's backing of an olive oil-infused coffee.

Manny Paz, a district manager from Southern California, said Niccol introduced himself when he visited Paz's store during a recent Pumpkin Spice Latte promotion. Niccol chatted with the baristas and sampled one of Starbucks's signature drinks.

"He's a genuine and curious individual," Paz said.

Some workers were skeptical of the hybrid-work arrangement that allows Niccol to commute to Seattle on a

company jet and establish an office near his Southern California home. Narasimhan had moved to Seattle from London to take the CEO position, and the chain expects Seattle-based corporate employees to generally work from headquarters three days a week.

Several Starbucks store managers said they wished Ruggeri, the Starbucks financial chief, would become the next CEO, noting her long tenure and candor with employees. Others wished they could have said goodbye to Narasimhan, who regularly convened informal chats with employees.

Starbucks said it has sought to listen to and address workers' concerns about

the abrupt CEO transition, and it established a way for employees to share their gratitude to Narasimhan.

"We look forward to the fresh ideas that Brian will bring to our business," Starbucks said. Some Starbucks alumni said that despite the tumult, a shake-up was merited after a spate of lackluster performance. "Things were really bleak," said Major Cohen, a former chain project manager who retired in 2020 after 25 years at the company.

Starbucks didn't make Niccol available for an interview. He informed Chipotle on Aug. 12 of his decision to step down, and he has met with Starbucks's U.S. leaders and visited dozens of cafes since, Starbucks said.

Niccol, 50 years old, helped turn Chipotle into an industry powerhouse after it was laid low by food-safety problems. Niccol said last month that he was energized by the opportunity to spur growth at Starbucks and make improvements for customers and employees.

Starbucks is moving ahead negotiating with Workers United, the union that has organized bargaining units at 475 of the chain's 9,950 U.S. stores as of last month. The company and the union said they have made progress on contract term.

## McQueen's Burton Joins Givenchy

Continued from page B1

romance. Her gowns boasted bouffant ruffled sleeves, lace insets, cascading pouf skirts and dramatically cinched waists. Lady Gaga wore a corseted, Victorian-esque gown to the premiere of "A Star is Born" in 2018, and Beyoncé wore several shimmery Burton creations onstage during her "Renaissance" tour in 2023. The British designer was also, like McQueen before her, a master tailor who often included Savile Row-inflected suits in her collections.

In 2011, Burton's place in fashion history was cemented when she designed the demure white-lace wedding dress worn by Kate Middleton for her marriage to Prince William. The following year, Time named Burton one of the 100 most influential people in the world, and she was named an Officer of the Order of the British Empire, or OBE.

Under Burton's leadership, McQueen also landed significant commercial hits. Its steroideal platform sneakers helped catalyze a trend for bulky white shoes in the mid-2010s.

## TV Feud Brings NFL Blackout

Continued from page B1

monplace, but cable's decline and a costly shift to streaming have raised the stakes. Last year, a Disney fight with Charter Communications led to channels going dark for more than a week before getting resolved before the start of ESPN's "Monday Night Football" season.

This squabble has a particularly high intensity and the companies weren't able to reach a deal in time for Monday night's ESPN game between the New York Jets and San Francisco 49ers.

Content prices are continuing to rise particularly for channels with heavy sports lineups such as ESPN. On Monday, DirecTV told its customers it was raising prices by as much as \$10 a month on some packages to keep up with increased programming costs.

If a deal isn't reached by Tuesday, many DirecTV subscribers will have to watch ABC's presidential debate on a different channel. In markets where the local ABC station is owned by Disney, such as New York, Los Angeles and San Francisco, the debate will be blacked out for DirecTV subscribers.



One trademark of Sarah Burton's work at Alexander McQueen was dramatically cinched waists.

The designer stepped away from the brand last October after a stirring final show, which garnered a standing ovation from Kering head François-Henri Pinault and Cate Blanchett. By joining LVMH's Givenchy after spending her whole career at a Kering-owned label, Burton stokes the competition for top creative talent between the world's biggest luxury rivals.

When Burton was succeeded by Seán McGirr at Alexander McQueen in 2023, the continuing conversation

around the lack of women in top design positions was reignited. Maria Grazia Chiuri is creative director at Dior, and Chemena Kamali fills that role at Chloe, but the bulk of recent creative-director appointees have been men—and often white men, of a similar age and similar background.

Since LVMH acquired the brand in 1988, Givenchy has given trailblazing designers like John Galiano and Riccardo Tisci an opportunity to amplify their reach by thrusting them into the creative di-

rector role. McQueen himself spent a handful of years as Givenchy's chief designer starting in 1996.

Today, within the LVMH portfolio, Givenchy is often considered a sleeping beauty—with a storied heritage, but lacking the financial heft of Dior.

LVMH doesn't break out financial results by brand, and in the news release for LVMH's 2024 first-half results, the sole mention of Givenchy was for its perfume, not apparel.

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## BUSINESS NEWS

# Retail Chain Big Lots Files For Bankruptcy

Discount retailer is latest casualty to a cutback in spending by U.S. consumers

By KIMBERLEY KAO

U.S. discount retail chain **Big Lots** filed for bankruptcy and agreed to sell its business to an affiliate of private-equity firm Nexus Capital Management, becoming the latest retail casualty as consumers reined in spending after a postpandemic surge.

The Columbus, Ohio, company named Nexus as its proposed stalking-horse bidder after filing for chapter 11 protection Monday in the U.S. Bankruptcy Court in Delaware. The proposed deal, subject to higher offers and other conditions, is expected to close in the fourth quarter, it said.

Trading in shares of Big Lots was halted on the New York Stock Exchange following the announcement.

The furniture and home-decor discount retailer has largely posted consecutive quarterly losses since 2022, leading to numerous store closures. Big Lots operated more than 1,300 stores in the U.S. as of May, according to a recent SEC filing, down from 1,425 in early 2023.

Last month, it amended two credit agreements to allow it to close additional store locations. In June, shares in Big Lots fell to a 33-year low after it posted losses and a steeper sales decline than analysts had expected for the spring quarter.

Big Lots said it also secured commitments for \$707.5 million in financing to see the company through the restructuring and sale process.



The furniture and home-decor discount retailer has largely posted consecutive quarterly losses since 2022.

"The actions we are taking today will enable us to move forward with new owners who believe in our business and provide financial stability," while the company continues to optimize operations and improve its financial performance, Chief Executive Bruce Thorn said.

Big Lots said its second-

quarter results, including gross margin and operating expenses, were in line with its previous guidance. The company said last week that it was delaying the publication of its quarterly results to Sept. 12.

Its chapter 11 filing comes months after Red Lobster, the largest seafood restaurant

chain in the U.S., filed for bankruptcy after failing to recover from the pandemic. The restaurant sector led retail openings coming out of the Covid-19 pandemic.

"The total of 21 retail bankruptcy filings in 2024 through July 16 is so far higher than in the same period of any year since 2020,"

S&P Global said in a July report.

For the past few years, rising prices as well as uncertainties in the job market and the overall economy have soured the American consumer psyche. The latest non-farm payrolls report showed that the retail sector lost 11,100 jobs in August.

# Activist Urges News Corp to Scrap Dual-Class Shares

By DENNY JACOB AND JEFFREY A. TRACHTENBERG

Activist investor **Starboard Value** said **News Corp** should eliminate its dual-class share structure, saying it gives too much influence to the family of Rupert Murdoch.

The dual-class structure isn't in the best interest of shareholders and doesn't reflect best-in-class corporate-governance practices, Starboard, which has a stake in The Wall Street Journal parent, said in a letter to shareholders.

It cited dynamics between

Chairman Emeritus Rupert Murdoch and his children, who are in the midst of a legal fight over control of the media conglomerate, as an example of problems related to the structure. "This uncertainty represents a risk to shareholders that is only amplified by the Murdoch family's super-voting shares and the poor governance and oversight that stems from the dual-class share structure," Starboard Managing Member Jeffrey Smith said in the letter.

Starboard said it believes there is a path to achieve majority support for its proposal

and send a message to the media company's board. "If the board refuses to listen, we can then take further action," it added.

Over the past decade investors at **News Corp** and **Fox Corp.** have objected to the dual-share structure, but those challenges were defeated.

The Murdochs, through a family trust, have a roughly 40% voting stake in News Corp and a 43% voting stake in Fox News parent Fox Corp.

In August, News Corp Chief Executive Robert Thomson told investors that the company was evaluating options

for Foxtel, the Australian pay-television and streaming service in which it has a majority stake.

Most recently, News Corp-controlled **REA Group**, based in Australia, said it was considering an offer to buy U.K. real-estate company Rightmove.

In the past, activists have urged News Corp to sell its digital real-estate assets.

The Murdoch family is on track for a court battle this month over a move by Rupert Murdoch to amend the family trust. The patriarch is seeking to ensure that when he dies

control will pass to his eldest son, Lachlan Murdoch, the CEO of Fox Corp. and chair of News Corp.

As it stands, siblings Lachlan, James, Elisabeth and Prudence Murdoch would each have equal voting shares in the trust. They are objecting to Rupert Murdoch's proposed change. A Nevada court is expected to adjudicate the matter starting Sept. 16.

"The four Murdoch siblings with voting rights within the Trust are reported to have widely differing worldviews, which, collectively, could be paralyzing to the strategic di-

rection of the Company," Starboard said in its letter. "More importantly, we are not sure why their perspectives should carry greater weight than the views of other shareholders."

The Murdoch Family Trust owns less than 1% of News Corp's outstanding Class A common stock, and about 40% of the Class B common stock as of June 30, according to a securities filing.

Starboard on Monday said that it owns 3.7% of News Corp's Class A shares and 4.6% of the company's Class B shares.



Tokyo-based Seven & i, which operates 7-Eleven stores, has rejected an offer from Couche-Tard.

# 7-Eleven Parent Is Open to Talks If Circle K Owner Improves Bid

By P.R. VENKAT AND MEGUMI FUJIKAWA

Japan's **Seven & i** said Monday it would be open to discussions with the Canadian owner of Circle K stores if the latter improved its \$39 billion takeover bid.

Seven & i was responding to a statement by **Alimentation Couche-Tard**, released late Sunday, that called for more talks. Couche-Tard said it was highly confident that discussions would lead to increased value, and it said it had sufficient capacity to finance the transaction in cash.

"We are disappointed in 7&i's refusal to engage in friendly discussions," Couche-Tard said.

Tokyo-based Seven & i, which operates 7-Eleven convenience stores worldwide,

last week rejected the offer from Couche-Tard made public last month. Seven & i said the proposal significantly underestimated the company's value and potential.

Seven & i reiterated that criticism and said the offer didn't represent a practical basis for talks, so it didn't sign a nondisclosure agreement as Couche-Tard requested.

"We remain open to engaging in sincere discussions should ACT put forth a proposal that fully recognizes Seven & i's standalone intrinsic value," the Japanese company said.

Seven & i shares rose 2.4% to 2,185 yen, equivalent to \$15.35, on Monday amid expectations that Couche-Tard would raise its offer price.

Seven & i reiterated Monday that it believed the pro-

posal needed to sufficiently address regulatory issues. Both companies have large store networks in the U.S., creating possible antitrust issues.

Couche-Tard said it would consider divestitures if needed to secure regulatory approval, adding that it has a history of working successfully with regulators in the U.S. and elsewhere to complete deals.

Couche-Tard had offered to acquire all shares outstanding of Seven & i at \$14.86 a share in cash, which would put the value of the deal at about \$38.7 billion.

Couche-Tard, or "night owl" in French, has been snapping up competitors around the world and now runs thousands of stores in North America, Europe and Asia. Its best-known brand in the U.S. is Circle K.

# Eli Lilly Appoints Lucas Montarce as CFO

By KRISTIN BROUGHTON AND COLIN KELLAHER

Drugmaker **Eli Lilly** named Lucas Montarce as chief financial officer, filling a vacancy left by the departure of Anat Ashkenazi, who joined Google's parent company **Alphabet** as CFO earlier this year.

Montarce's appointment as CFO takes effect immediately, Eli Lilly said Monday. Montarce, 47 years old, most recently served as president and general manager for the company's Spain, Portugal and Greece hub, a position he held for less than a year. Before that, he worked for three

years as controller and CFO of Lilly Research Laboratories. He joined the Indianapolis-based company in 2001.

Strong sales of popular drugs Mounjaro and Zepbound, used to treat diabetes and obesity, have powered Eli Lilly's recent financial performance.

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# Hedge Fund Presses Ubisoft Management

BY MAURO ORRU AND CHRISTIAN MOESS LAURSEN

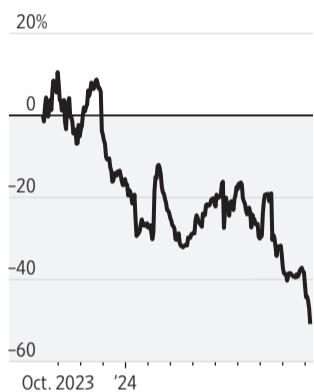
Shares of **Ubisoft** Entertainment plunged Monday after a minority investor called for the maker of the Assassin's Creed videogame franchise to go private and install a new management team.

AJ Investments, a hedge fund based in Slovakia that holds a stake of less than 1% in Ubisoft, said in a letter to management that it was unsatisfied with the current performance and strategic direction of the company.

Ubisoft has been facing a number of setbacks in recent months. It no longer expects to release "Rainbow Six Mobile" and "The Division Resurgence" in the fiscal year ending in March 2025, saying in July that developers needed extra time to ensure the games meet players' expectations.

The delays came after the group ceased development of "The Division Heartland," a decision it made to redeploy resources to bigger releases such as "XDefiant." Its share price has tumbled more than 50% over the last 12 months. Shares in Paris were down more than 7% on Monday after AJ Investments published its

Ubisoft Entertainment share-price performance, this past year



Source: FactSet

letter to Ubisoft management.

Juraj Krupa, founder and chief executive of AJ Investments, said he wanted the letter to be a wake-up call for other investors. The hedge fund said Ubisoft should go private and urged the founding Guillemot family not to block a sale process. It also called for the installment of a new chief executive willing to weigh the sale of some studios and lay off staff to cut costs.

Ubisoft didn't respond to a request for comment on the letter.

Five Guillemot brothers founded Ubisoft in 1986 as they saw promise in the up-and-coming world of tech and software development. The company is one of few remaining independent gaming studios that develops immersive games—making it a target for takeovers.

Chief Executive Yves Guillemot led a battle nearly a decade ago to fend off a takeover attempt by French media conglomerate **Vivendi**. The Guillemot family wields a stake of more than 13% in the group, according to FactSet, more than any other shareholder.

Chinese internet giant **Tencent Holdings** in 2022 moved to acquire a minority stake in the family holding, though it didn't get any board seats or veto rights as part of that deal.

Ubisoft managed to remain independent even as a wave of consolidation swept through the videogame industry in 2022, with **Take-Two Interactive Software** agreeing to buy Zynga, **Microsoft** buying Activision Blizzard and **Sony Group's** videogame unit striking a deal to buy Bungie.

Guillemot said at the time that Ubisoft could stay independent, citing its balance sheet and game portfolio. However, he said that if any offer was received, it would be reviewed with the interests of stakeholders in mind.

# Apple Watch Series 10 Gets Bigger Screen, Thinner Body

Redesign includes detectors for water depth, temperature and sleep apnea

BY NICOLE NGUYEN

There's a new **Apple Watch** that makes it easier than ever to check the time.

On Monday, Apple commemorated the 10th anniversary of the smartwatch's unveiling with a new design. The \$399-and-up Apple Watch Series 10—available Sept. 20—has a bigger and thinner display, plus water depth and temperature sensors for swimmers and snorkelers.

The company used the occasion to announce a tool to detect sleep apnea, but that will be available on last year's watch models, too.

Is the Series 10 worth an upgrade? If you tend to squint at screens or amp up the text size on your devices, that answer might be yes.

The most notable Series 10 improvement is the screen. The larger 46 mm case option has a display even a hair bigger than the one on the bulkier Apple Watch Ultra 2. And new OLED tech means the screen is easier to glance at from an angle—which is almost always the case when you look at a watch.

The larger size fits an additional line of text for messages, and Apple says typing on the still-tiny screen will be easier, too.

I'm more excited about how thin the watch's body is. OK, we're talking about the reduction of a single millimeter—9.7 mm in the Series 10 versus 10.7mm in the Series 9—but on a device this small, even a little slimming makes a differ-



The sleep apnea detector works by using the watch's accelerometer to measure breathing.

ence. Apple integrated the watch's wireless antennas into the device's housing and downsized the speaker to achieve maximum thinness. You can also now play podcasts or music directly through the watch's tiny speaker.

The watch isn't just thinner, it's also lighter. I wear an older Apple Watch and, after trying on the new model, I noticed the difference immediately. I'm hoping this means it's more comfortable to wear at night. Taking the Apple Watch to sleep unlocks advanced health tracking, such as ovulation estimates and the new sleep apnea detector. The step-up models, which start at \$599, have replaced stainless steel with titanium, so they're much lighter too.

The sleeker design didn't have room for a bigger battery, so the watch maintains an 18-hour battery life like previous models. It does charge faster, however: Thirty minutes will fill up 80% of the battery. (That used to take 45 minutes.)

The Series 10 will be available in two case sizes, 42 mm and 46 mm. I tested whether my older 41 mm Series 9 band would work on the new model. It was indeed backward compatible with the smaller Series 10 case!

Apple didn't name too many new features in its presentation, but it did highlight two big ones.

Sleep apnea is a condition where people repeatedly stop breathing during sleep. As many as 80% of people have the disorder without an official diagnosis, according to the American Academy of Sleep Medicine. Left untreated, sleep apnea can lead to hypertension and Type 2 diabetes.

The sleep apnea detector works by using the watch's accelerometer to measure breathing. Every 30 days, the watch analyzes that data for signs of possible moderate to severe cases of sleep apnea. If it spots them, the wearer gets a notification with a detailed report and recommendation to consult a medical professional.

Apple said it expects to gain regulatory clearance this month but didn't specify whether it will be ready when the watch ships. The tool will be available on last year's Series 9 and the new Series 10, as well as the higher-end Ultra 2, which isn't getting an upgrade.

Earlier this year, the company removed a blood-oxygen sensing capability following a patent dispute. The feature remains absent from the lineup.

In addition to the new health feature, the Series 10 can also sense water temperature and depth when submerged, a capability previously reserved for the Ultra models. (The Series 10 detects down to six meters, and can't go as deep as the Ultra.) A new Tides app will also show rising and falling tide data for coastlines.

This year, there are no updates to the entry-level Apple Watch SE. The only change to the Ultra 2 is a new Batmanesque, satin black color, also available Sept. 20.

## Who's Who of Distinguished Leaders: 2024 Honoree

Since 1898, **Marquis Who's Who** has remained the standard for reliable and comprehensive biographical reference material. We are proud to highlight hand-selected listees who have been recognized as *Distinguished Leaders* in their fields of endeavor.

Of 1.6 million listees, only a small percentage is recognized with the *Distinguished Leaders* honor. We laud these individuals for their ambition, professional fortitude, industry contributions, and career accomplishments. It is our great pleasure to present one of them here:  
Prof. Steven M. Stanley, PhD.



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**PROF. STEVEN M. STANLEY, PHD**  
AUTHOR, "T. REX, DARWIN, AND ADVENTURES OUT WEST"  
RESEARCH PROFESSOR, FLORIDA STATE UNIVERSITY  
RESEARCH ASSOCIATE, THE SMITHSONIAN INSTITUTION

Professor Steven M. Stanley, PhD, a renowned paleontologist and writer, is the author of "T. Rex, Darwin, and Adventures Out West," a riveting new novel that depicts the escapades of a group of college students and a professor, with whom they share a powerful bond. Replete with drama, elation, tragedy and humor, the book includes fascinating nuggets of science and a mystery story.

Dr. Stanley has also written several additional books. Reviewing his "Children of the Ice Age" in the Los Angeles Times, Douglas Preston wrote, "Not since 'The Making of the Atomic Bomb' have I been so captivated by a nonfiction book." Dr. Stanley's "The New Evolutionary Timetable" was nominated for an American Book Award. His "Earth System History" is the leading textbook in the field of historical geology, and he was the co-author of "Principles of Paleontology," which modernized the teaching of paleontology.

Dr. Stanley has distinguished himself for over six decades in the field of paleontology. He is famous for his research on the theory of punctuated equilibria, which recognizes that once a species originates, its population stabilizes and displays little change thereafter. His most important geological contribution

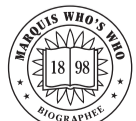
is his demonstration that changes in the magnesium/calcium ratio of seawater have dictated what kinds of organisms have been major reef builders and producers of lime sediment in the course of Earth's history. He has also produced a mathematical calculation showing that marine life did not nearly die out at the end of the Permian Period, with 95% of species dying out (as conventionally believed), but only suffered the loss of about 81% of all species.

Dr. Stanley is now a research professor in the department of biology at Florida State University. At the University of Hawai'i at Mānoa for 14 years, he served as a research professor in the department of Earth sciences. Prior to that, while on the faculty of Johns Hopkins University for 36 years, he founded and then chaired the university's part-time evening master's degree program in environmental science and policy for 11 years. He began his career at the University of Rochester in 1967. Dr. Stanley maintains a laboratory at the Smithsonian Institution.

During the past three decades, Dr. Stanley has been the only paleontologist to receive the Penrose Medal, the highest award of the Geological Society of America. Among his many other awards are the Mary Clark Thompson Medal of the National Academy of Sciences, the Twenhofel Medal of the Society for Sedimentary Geology, and the Paleontological Society Medal of the Paleontological Society, for which he notably served as president. He was also president of the American Geological Institute and served on two boards of the National Research Council. In 1973, with the Allan C. Davis Medal, The Maryland Academy of Sciences recognized Dr. Stanley as Maryland's outstanding young scientist of the year.

Having come of age on 24 acres of river-front property, which ignited in him an intense passion for the study of rocks and minerals, Dr. Stanley attended Princeton University, from which he graduated in 1963 with a Bachelor of Arts in geology, summa cum laude. He then earned a Doctor of Philosophy from Yale University in 1968.

Looking toward the future, Dr. Stanley hopes to become an emeritus professor at Johns Hopkins University and continue contributing to humankind's understanding of the history of life.



MARQUIS Who'sWho

## New iPhone Improves On Siri

Continued from page B1

The iPhone 16 line has limited new hardware features outside of new camera capabilities and a new button that will let users slide their fingers to adjust features. Instead, Apple hopes users will be drawn to new AI features.

"Apple Intelligence draws on the immense power of our silicon to run multiple generative models on the iPhone in your pocket," said Apple software chief Craig Federighi.

Apple showed examples of the new capabilities to edit text for tone, such as proofreading a message to a boss on Slack or a review of a book. It also can help sift photos or make personalized slideshows using a simple prompt based on pictures or other content. It also offers personalized prioritization of emails and summaries of text messages.

Apple said Siri will have better language understanding and can comprehend even when someone stumbles over their words. Siri will also be able to pull up personal information, such as finding a recommendation for a TV show. Users will be able to use "visual intelligence," a feature allowing users to take a picture of a dog and ask the breed.

A beta, or early version, of some of the Apple Intelligence features will be available next month. While it will only be available in English for now, Apple said next year it would be ready for Chinese, French, Japanese and Spanish.

The new iPhone line has a chip that Apple executives say will help power the new AI features, and Apple says it is faster than competing devices and even some high-end desktop PCs.

The base model iPhone 16 starts at \$799 and the larger-size Plus 16 will be \$899, while the Pro model starts at \$999, and \$1,199 for the larger size.

As is typical for its fall event, the "Glowtime" presentation began with other new devices such as a watch and

new airpods before showing the new iPhone 16 lineup.

The company unveiled a new design for the latest iteration for its smartwatch, Apple Watch Series 10, which is thinner than previous versions, offers a bigger display and can alert users who may have sleep apnea.

New capabilities for swimmers help gauge water depth and temperature as well. The new watch will cost \$399 or higher and will be available on Sept. 20.

Apple also announced that an upgrade to its AirPods Pro 2 can make them capable of acting as an over-the-counter hearing aid, and the company said it would offer hearing tests based on findings in scientific research. The baseline model was also updated, and the AirPods 4 cost \$129.

So far, consumers have yet to embrace AI capabilities as a primary reason to upgrade. Apple's leading smartphone rival, Samsung, has heavily promoted its latest devices' AI capabilities. AI was only a minor selling point for carriers after the initial batch of sales, according to surveys by BayStreet Research conducted at U.S. carrier stores.

Another recent survey showed that 7% of consumers had a very high inclination to buy a smartphone based on AI features, according to research firm Canalis.

"AI hasn't resonated yet with the masses," said Cliff Maldonado, principal analyst at BayStreet Research, which studies the smartphone market.

Some investors expect Apple's phone sales to surge regardless, as many iPhone consumers are due for an upgrade. Analysts, on average, expect iPhone revenue for its coming fiscal 2025 year that ends in September next year to grow by nearly 5%, according to FactSet.

Demand for Apple's AI-enabled phones will offer another test of market appetite for the technology. The company's rivals have spent billions investing in models that can chat and interact with users in humanlike ways, write and produce images and animations. Yet investors have grown wary of AI spending this year as many companies have yet to show a clear path to profitability.

In contrast to its rivals, Apple hasn't poured giant piles of cash into its AI efforts. The company, instead, is hoping external partnerships with the most advanced AI players will help it participate in the market.

Some analysts expect a stronger return to iPhone growth to happen in the following iPhone 17 generation, where a new thinner phone design is expected along with an updated camera design. More consumers might be willing to embrace AI features by then as well, analysts said.

"Apple is doing partnerships instead of having to reinvent the wheel," said Trip Miller, managing partner at Gullane Capital Partners, an Apple shareholder. "They've already got the platform and the user base that wants to consume this revolutionary technology."

With Apple Intelligence, Apple is also joining up with AI startup OpenAI—which is helmed by Chief Executive Sam Altman—to embed ChatGPT, which it sees as the current leader in generative artificial intelligence. The iPhone maker plans to join up with other AI developers. Apple is in talks to invest in OpenAI, The Wall Street Journal recently reported.

The company has yet to announce an AI partner in China, one of its largest markets and an area where sales have stagnated as it faced new competition from homegrown smartphone brands.

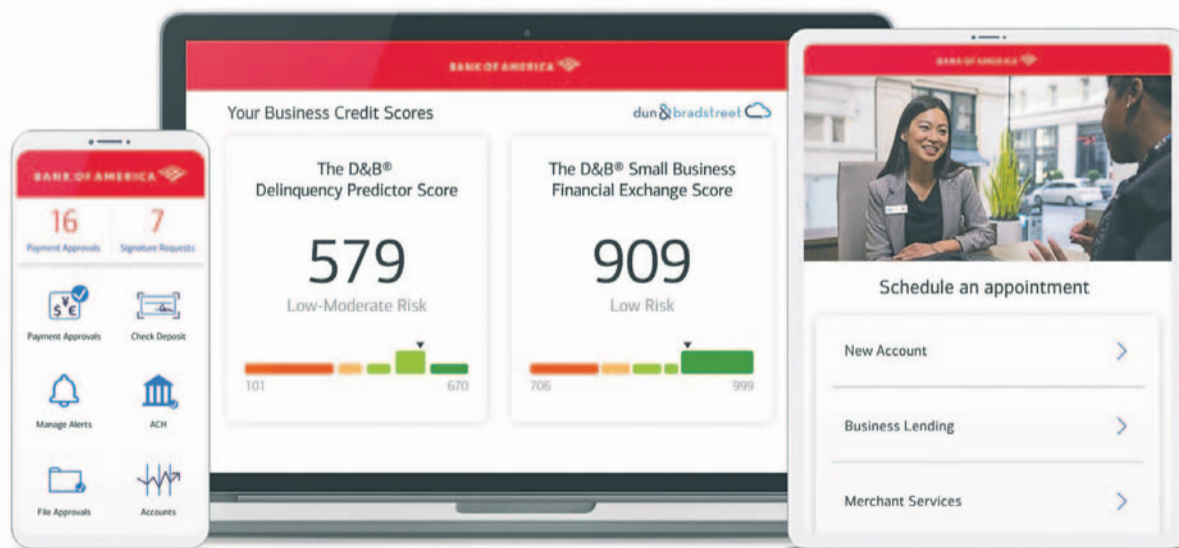
Apple's last big iPhone hit was in 2021, when sales rose 39% compared with the prior year. Sales have fallen in the past two quarters compared with the same period a year earlier, and revenue fell by more than 2% in the 12 months that ended in September 2023, its most recent fiscal year.

The 2021 sales cycle was propelled by promotions and upgrade subsidies from wireless carriers. Those companies helped pay for new, speedier 5G phones to land new users or retain existing ones after spending billions on new network infrastructure upgrades.

"People are holding on to their phones for longer and to longer periods," said Michael Levin, co-founder of CIRP. "Apple is swimming upstream that way."



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# COMMODITIES

wsj.com/market-data/commodities

## Futures Contracts

Metal & Petroleum Futures						
	Open	High	Low	Settle	Chg	Open interest
<b>Copper-High (CMX)</b> -25,000 lbs.; \$ per lb.						
Sept	4.0460	4.0960	4.0460	4.0845	0.0700	2,631
Dec	4.0650	4.1600	4.0600	4.1445	0.0710	120,974
<b>Gold (CMX)</b> -100 troy oz.; \$ per troy oz.						
Sept	2491.30	2504.70	2491.30	2501.80	8.30	276
Oct	2503.20	2512.80	2491.30	2509.30	7.80	42,494
Nov	2515.00	2524.80	2507.60	2521.30	8.10	80
Dec	2526.50	2536.50	2514.20	2532.70	8.10	407,259
Feb/25	2547.20	2557.30	2537.40	2554.20	8.20	26,183
April	2565.10	2573.70	2554.40	2571.70	8.30	18,587
<b>Palladium (NYM)</b> -50 troy oz.; \$ per troy oz.						
Sept	913.00	913.00	899.50	936.80	40.50	55
Dec	900.50	943.50	900.00	939.00	40.50	22,720
<b>Platinum (NYM)</b> -50 troy oz.; \$ per troy oz.						
Sept	936.40	943.20	936.40	942.50	28.20	47
Oct	924.50	948.20	922.90	946.90	28.20	65,550
<b>Silver (CMX)</b> -5,000 troy oz.; \$ per troy oz.						
Sept	28.085	28.340	28.050	28.291	0.483	136
Dec	28.270	28.710	28.035	28.651	0.468	114,585
<b>Crude Oil, Light Sweet (NYM)</b> -1,000 bbls.; \$ per bbl.						
Oct	68.13	68.96	67.31	68.71	1.04	249,665
Nov	67.42	68.14	66.61	67.91	0.93	225,499
Dec	66.79	67.58	66.15	67.31	0.79	228,453
Jan'25	66.63	67.27	65.85	66.93	0.67	116,936
June	66.12	66.70	65.40	66.19	0.37	141,369
Dec	65.51	66.10	65.00	65.52	0.19	143,246
<b>NY Harbor ULS (NYM)</b> -42,000 gal.; \$ per gal.						
Oct	2.1315	2.1651	2.1084	2.1394	0.244	109,770
Dec	2.1565	2.1921	2.1378	2.1653	0.187	68,157
<b>Gasoline-NY RB08 (NYM)</b> -42,000 gal.; \$ per gal.						
Oct	1.9034	1.9504	1.8964	1.9204	0.244	120,610
Nov	1.8848	1.9222	1.8733	1.8959	0.196	71,580
<b>Natural Gas (NYM)</b> -10,000 MMBtu.; \$ per MMBtu.						
Oct	2.220	2.247	2.141	2.170	-1.05	258,801
Nov	2.557	2.581	2.506	2.527	-0.70	240,694
Dec	3.070	3.089	3.024	3.044	-0.58	126,532
Jan'25	3.350	3.374	3.312	3.334	-0.52	177,306
March	2.911	2.932	2.876	2.905	-0.35	132,822
April	2.782	2.811	2.757	2.787	-0.25	84,381

Agriculture Futures						
	Open	High	Low	Settle	Chg	Open interest
<b>Corn (CBT)</b> -5,000 bu.; cents per bu.						
Sept	383.75	385.25	381.00	384.25	.50	475
Dec	405.50	408.00	403.25	407.25	1.00	784,244
<b>Oats (CBT)</b> -5,000 bu.; cents per bu.						
Sept	340.00	360.75	329.25	352.25	9.25	4
Dec	350.50	362.50	349.75	361.50	9.25	3,083
<b>Soybeans (CBT)</b> -5,000 bu.; cents per bu.						
Sept	1000.25	1000.25	994.75	1000.00	10.75	170
Nov	1002.25	1020.25	1001.75	1018.00	13.00	424,890
<b>Soybean Meal (CBT)</b> -100 tons; \$ per ton.						
Sept	320.30	321.40	318.10	317.80	-.60	403
Dec	323.60	329.30	321.70	325.00	.60	241,090
<b>Soybean Oil (CBT)</b> -60,000 lbs.; cents per lb.						
Sept	40.78	41.56	40.78	41.61	.84	499

## Dividend Changes

Company	Symbol	Amount	Payable/Record
<b>Increased</b>			
Brady CIA	BRC	1.3	24/235 q Oct31/Oct10
VICI Properties	VICI	5.1	4325/415 q Oct03/Sep18
<b>Reduced</b>			
Sabine Royalty Tr	UBI	10.5	4213/45089 M Sep30/Sep16
<b>Stocks</b>			
Zepp Health ADR	ZEPP	1.4	/Sep16

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S2:1: stock split and ratio; SO: spin-off.

	Open	High	Low	Settle	Chg	Open interest
<b>Dec</b>	39.63	40.57	39.62	40.48	.85	253,878
<b>Rough Rice (CBT)</b> -2,000 cwt.; \$ per cwt.						
Sept	15.17	15.17	15.10	14.94	-.36	300
Nov	15.09	15.21	14.68	14.72	-.37	8,258
<b>Wheat (CBT)</b> -5,000 bu.; cents per bu.						
Sept	565.75	553.25	553.25	555.50	2.25	22
Dec	565.50	569.75	560.50	568.50	1.50	223,644
<b>Wheat (KC)</b> -5,000 bu.; cents per bu.						
Sept	578.00	578.00	571.00	574.75	5.00	12
Dec	576.75	580.25	570.00	575.75	-1.75	157,084
<b>Cattle-Feeder (CME)</b> -50,000 lbs.; cents per lb.						
Sept	234.750	238.250	232.850	237.725	3.425	5,180
Oct	231.350	235.575	229.575	234.725	3.775	21,237
<b>Cattle-Live (CME)</b> -40,000 lbs.; cents per lb.						
Oct	175.500	177.575	173.775	176.925	1.750	104,004
Dec	175.000	177.450	173.500	176.800	2.100	76,726
<b>Hogs-Lean (CME)</b> -40,000 lbs.; cents per lb.						
Oct	79.950	80.025	78.475	78.800	-7.00	89,200
Dec	71.500	71.650	70.550	71.100	-1.25	83,625
<b>Lumber (CME)</b> -27,500 bd ft.; \$ per 1,000 bd ft.						
Sept	488.00	489.50	479.50	481.00	-7.00	993
Nov	518.00	519.00	507.00	509.00	-8.00	7,082
<b>Milk (CME)</b> -200,000 lbs.; cents per lb.						
Sept	22.81	22.99	22.73	22.97	.19	3,635
Oct	22.83	23.56	22.56	23.54	.70	5,684
<b>Cocoa (ICE-US)</b> -10 metric tons; \$ per ton.						
Sept	9,839	9,839	9,839	9,839	380	30
Dec	7,163	7,527	7,151	7,475	394	64,092
<b>Coffee (ICE-US)</b> -37,500 lbs.; cents per lb.						
Sept	249.45	249.45	249.45	249.45	9.40	186
Dec	238.10	246.20	238.10	245.40	9.40	98,677
<b>Sugar-World (ICE-US)</b> -112,000 lbs.; cents per lb.						
Oct	18.92	19.04	18.60	18.83	-.08	251,405
March'25	19.27	19.37	18.90	19.11	-1.16	260,090
<b>Sugar-Domestic (ICE-US)</b> -112,000 lbs.; cents per lb.						
Nov	35.09	35.09	35.09	35.09	.27	1,316
March'25	35.97	35.97	35.97	35.97	.36	2,551
<b>Cotton (ICE-US)</b> -50,000 lbs.; cents per lb.						
Oct	67.62	68.41	67.25	67.54	.42	273
Dec	68.00	68.31	67.51	67.69	-.19	143,228
<b>Orange Juice (ICE-US)</b> -15,000 lbs.; cents per lb.						
Sept	579.50	589.00	575.00	549.95	-5.55	274
Nov	486.20	493.00	483.00	489.15	9.15	7,760

Interest Rate Futures						
	Open	High	Low	Settle	Chg	Open interest
<b>Ultra Treasury Bonds (CBT)</b> - \$100,000; pts 32nds of 100%						
Sept	134-200	135-230	134-060	135-220	15.0	15,237
Dec	135-190	136-120	134-250	136-080	15.0	1,694,734
<b>Treasury Bonds (CBT)</b> - \$100,000; pts 32nds of 100%						
Sept	125-210	126-050	125-040	126-020	9.0	3,123
Dec	125-220	126-090	125-030	126-050	9.0	1,703,696
<b>Treasury Notes (CBT)</b> - \$100,000; pts 32nds of 100%						
Sept	114-135	114-185	114-035	114-165	...	4,021
Dec	114-310	115-040	114-200	115-015	1.0	4,678,422
<b>5 Yr. Treasury Notes (CBT)</b> - \$100,000; pts 32nds of 100%						
Sept	109-245	109-307	109-220	109-297	1.7	2,851
Dec	110-120	110-142	110-045	110-127	-2.6	2,369,266
<b>2 Yr. Treasury Notes (CBT)</b> - \$200,000; pts 32nds of 100%						
Sept	103-272	103-272	103-242	103-269	.1	320

Company	Symbol	Amount	Payable/Record
<b>Foreign</b>			
Allegion	ALLE	1.4	.48 q Sep30/Sep20
BRP	DOOO	1.0	1.553 q Oct11/Sep27
Himalaya Shipping	HSHP	..	.07 M Sep30/Sep17
<b>Special</b>			
Utz Brands	UTZ	1.3	.011 Oct03/Sep16

Note: Dividend yields as of 3:30 p.m. ET. Sources: FactSet; Dow Jones Market Data

	Open	High	Low	Settle	Chg	Open interest
<b>Dec</b>	104-095	104-105	104-060	104-089	-1.2	4,282,613
<b>30 Day Federal Funds (CBT)</b> - \$5,000,000; 100 - daily avg.						
Sept	94.8025	94.8050	94.7900	94.7975	.0000	240,675
Oct	95.0050	95.0200	94.9750	94.9950	.0000	570,370
<b>Three-Month SOFR (CME)</b> - \$1,000,000; 100 - daily avg.						
June	94.6300	94.6300	94.6275	94.6275	-.0025	1,128,543
Sept	95.1050	95.1175	95.0875	95.1050	.0000	1,313,132
<b>Currency Futures</b>						
<b>Japanese Yen (CME)</b> - ¥12,500,000; \$ per 100¥						
Sept	.7037	.7052	.6961	.7010	-.0024	291,815
Dec	.7132	.7140	.7049	.7098	-.0023	71,386
<b>Canadian Dollar (CME)</b> - CAD 100,000; \$ per CAD						
Sept	.7375	.7384	.7368	.7377	.0001	204,635
Dec	.7387	.7403	.7386	.7395	.0001	38,277
<b>British Pound (CME)</b> - £62,500; \$ per £						
Sept	1.3128	1.3145	1.3069	1.3079	-.0057	224,369
Dec	1.3139	1.3148	1.3073	1.3083	-.0057	45,830
<b>Swiss Franc (CME)</b> - CHF 125,000; \$ per CHF						
Sept	1.1875	1.1876	1.1783	1.1799	-.0078	59,719
Dec	1.1994	1.1999	1.1906	1.1921	-.0080	14,117
<b>Australian Dollar (CME)</b> - AUD 100,000; \$ per AUD						
Sept	.6672	.6690	.6650	.6660	-.0012	180,347
Dec	.6681	.6701	.6660	.6670	-.0012	26,669
<b>Mexican Peso (CME)</b> - MXN 500,000; \$ per MXN						
Sept	.05003	.05043	.04991	.05023	.00034	167,110
Dec	.04935	.04974	.04924	.04954	.00034	19,355
<b>Euro (CME)</b> - €125,000; \$ per €						
Sept	1.1090	1.1095	1.1037	1.1047	-.0044	639,213

## Bonds | wsj.com/market-data/bonds/benchmarks

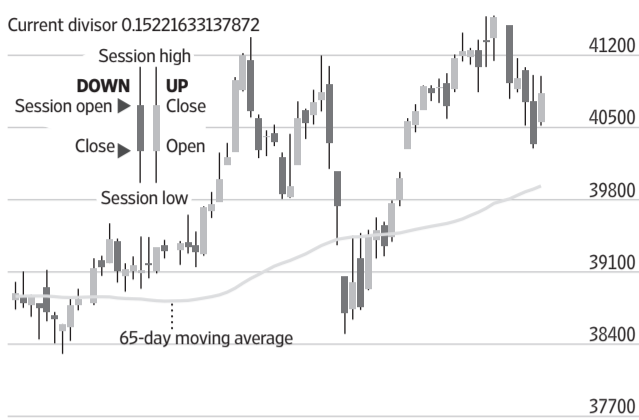
### Tracking Bond Benchmarks

# MARKETS DIGEST

## EQUITIES

### Dow Jones Industrial Average

**40829.59** ▲484.18, or 1.20%  
 High, low, open and close for each trading day of the past three months.  
 Trailing P/E ratio 25.36 25.10  
 P/E estimate \* 19.89 18.69  
 Dividend yield 2.09 2.11  
 All-time high 41563.08, 08/30/24

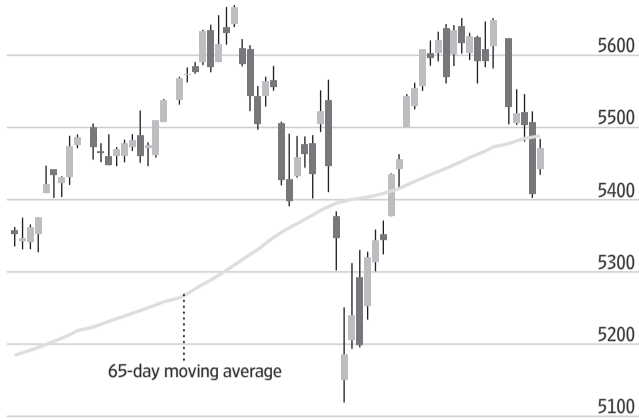


Current divisor 0.15221633137872  
 Bars measure the point change from session's open

\*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

### S&P 500 Index

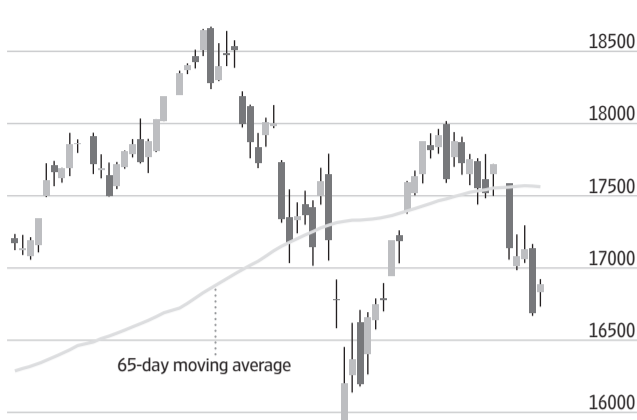
**5471.05** ▲62.63, or 1.16%  
 High, low, open and close for each trading day of the past three months.  
 Trailing P/E ratio \* 23.58 21.67  
 P/E estimate \* 22.57 20.05  
 Dividend yield \* 1.34 1.58  
 All-time high 5667.20, 07/16/24



Current divisor 0.15221633137872  
 Bars measure the point change from session's open

### Nasdaq Composite Index

**16884.60** ▲193.77, or 1.16%  
 High, low, open and close for each trading day of the past three months.  
 Trailing P/E ratio \*\* 30.75 30.27  
 P/E estimate \*\* 28.75 26.97  
 Dividend yield \*\* 0.84 0.85  
 All-time high: 18647.45, 07/10/24



### Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
<b>Dow Jones</b>									
Industrial Average	41000.24	40518.06	<b>40829.59</b>	484.18	1.20	41563.08	32417.59	17.8	8.3
Transportation Avg	15682.26	15458.88	<b>15635.16</b>	208.10	1.35	16298.98	13556.07	2.3	-1.7
Utility Average	1040.12	1027.01	<b>1039.91</b>	11.07	1.08	1039.91	783.08	19.0	17.9
Total Stock Market	54249.31	53763.50	<b>54089.40</b>	582.77	1.09	56206.02	40847.04	20.9	13.2
Barron's 400	1161.87	1151.99	<b>1154.98</b>	7.63	0.66	1212.12	907.97	16.9	7.7

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
<b>Nasdaq Stock Market</b>									
Nasdaq Composite	16923.28	16732.83	<b>16884.60</b>	193.77	1.16	18647.45	12595.61	21.3	12.5
Nasdaq-100	18693.86	18469.40	<b>18660.78</b>	239.47	1.30	20675.38	14109.57	20.7	10.9

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
<b>S&amp;P</b>									
500 Index	5484.20	5434.49	<b>5471.05</b>	62.63	1.16	5667.20	4117.37	21.9	14.7
MidCap 400	2971.88	2943.83	<b>2952.97</b>	13.56	0.46	3115.02	2326.82	14.6	6.2
SmallCap 600	1344.57	1330.75	<b>1334.95</b>	-3.33	-0.25	1435.83	1068.80	12.5	1.3

Other Indexes	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
Russell 2000	2115.08	2093.09	<b>2097.78</b>	6.37	0.30	2263.67	1636.94	13.1	3.5
NYSE Composite	18932.64	18663.14	<b>18859.69</b>	196.55	1.05	19292.23	14675.78	18.2	11.9
Value Line	590.31	584.26	<b>586.22</b>	1.96	0.34	620.59	498.09	5.1	-1.3
NYSE Arca Biotech	5755.66	5661.81	<b>5717.15</b>	55.34	0.98	5905.19	4544.40	9.3	5.5
NYSE Arca Pharma	1111.56	1100.89	<b>1107.74</b>	4.32	0.39	1140.17	845.32	20.1	21.7
KBW Bank	112.20	110.37	<b>111.57</b>	1.99	1.81	115.93	71.71	38.4	16.2
PHLX <sup>S</sup> Gold/Silver	146.00	144.39	<b>145.37</b>	1.61	1.12	158.93	102.94	26.5	15.6
PHLX <sup>S</sup> Oil Service	75.31	74.35	<b>74.40</b>	0.09	0.13	98.76	74.31	-22.9	-11.3
PHLX <sup>S</sup> Semiconductor	4636.62	4547.18	<b>4625.78</b>	97.57	2.15	5904.54	3185.18	29.6	10.8
Cboe Volatility	21.41	19.29	<b>19.45</b>	-2.93	-13.09	38.57	11.86	40.9	56.2

<sup>S</sup>Nasdaq PHLX Sources: FactSet; Dow Jones Market Data

### Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

#### Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After-Hours % chg	High	Low
NVIDIA	NVDA	11,792.5	107.06	0.59	<b>0.55</b>	107.16	100.21
Bank of America	BAC	4,982.3	39.52	0.05	<b>0.13</b>	39.54	39.46
Oracle	ORCL	4,659.9	152.69	12.80	<b>9.15</b>	153.75	136.40
Snap	SNAP	4,522.1	8.55	0.02	<b>0.24</b>	8.57	8.51
Alphabet Cl A	GOOGL	4,402.1	148.71	...	<b>unch.</b>	160.38	147.67
iShares China LC ETF	FXI	4,352.2	25.55	0.03	<b>0.12</b>	25.59	25.50
Grab Holdings	GRAB	4,264.8	3.35	...	<b>unch.</b>	3.35	3.34
Vanguard Total Intl Stock	VXUS	3,897.5	62.48	0.73	<b>1.18</b>	63.00	61.65

#### Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
AudioCodes	AUDC	101.5	10.52	1.10	<b>11.68</b>	11.59	9.50
Oracle	ORCL	4,659.9	152.69	12.80	<b>9.15</b>	153.75	136.40
Crescent Energy	CRGY	387.0	10.98	0.61	<b>5.88</b>	10.98	10.37
Outfront Media	OUT	72.7	16.73	0.80	<b>5.02</b>	16.73	15.93
Sotera Health	SHC	1,785.2	17.64	0.84	<b>5.00</b>	17.64	16.75

#### ...And losers

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Ionis Pharmaceuticals	IONS	71.5	44.62	-3.71	<b>-7.68</b>	48.33	43.75
Rubrik	RBRK	318.5	29.79	-2.27	<b>-7.08</b>	33.23	29.60
Hewlett Packard Ent	HPE	821.5	16.45	-1.15	<b>-6.53</b>	17.70	16.43
American Water Works	AWK	72.5	138.71	-7.30	<b>-5.00</b>	146.04	138.71
Paccar	PCAR	281.3	90.25	-4.72	<b>-4.97</b>	94.97	90.25

### Trading Diary

#### Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	934,433,323	8,529,786
Adv. volume*	647,043,094	5,143,394
Decl. volume*	279,039,431	2,997,663
Issues traded	2,855	296
Advances	1,821	141
Declines	951	141
Unchanged	83	14
New highs	168	8
New lows	83	10
Closing Arms*	0.77	0.79
Block trades*	4,752	92

\*Total volume\*5,132,152,615 234,179,942  
 Adv. volume\*3,453,930,936 174,713,099  
 Decl. volume\*1,601,774,960 58,582,007

	NYSE	NYSE Amer.
Issues traded	4,321	1,974
Advances	2,541	1,680
Declines	1,618	271
Unchanged	162	23
New highs	96	102
New lows	182	13
Closing Arms*	0.73	2.60
Block trades*	33,673	1,222

\*Primary market NYSE, NYSE American, NYSE Arca only.  
 †(TRN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

### International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
<b>World</b>	<b>MSCI ACWI</b>	<b>807.38</b>	4.81	0.60	11.1
	MSCI ACWI ex-USA	334.62	-1.37	-0.41	5.7
	MSCI World	3546.40	27.82	0.79	11.9
	MSCI Emerging Markets	1063.44	-11.45	-1.07	3.9
<b>Americas</b>	<b>MSCI AC Americas</b>	<b>2058.46</b>	23.29	1.14	13.5
Canada	S&P/TSX Comp	23027.15	245.72	1.08	9.9
Latin Amer.	MSCI EM Latin America	2197.43	5.53	0.25	-17.5
Brazil	Ibovespa	134737.21	164.76	0.12	0.4
Chile	S&P IPSA	3377.33	-7.22	-0.21	-2.6
Mexico	S&P/BMV IPC	51136.05	52.61	0.10	-10.9
<b>EMEA</b>	<b>STOXX Europe 600</b>	<b>510.70</b>	4.14	0.82	6.6
Eurozone	Euro STOXX	496.56	4.19	0.85	4.7
Belgium	Bel-20	4240.57	69.73	1.67	14.4
Denmark	OMX Copenhagen 20	2676.27	12.85	0.48	17.2
France	CAC 40	7425.26	72.96	0.99	-1.6
Germany	DAX	18443.56	141.66	0.77	10.1
Israel	Tel Aviv	2035.21	-4.48	-0.22	9.1
Italy	FTSE MIB	33590.34	298.95	0.90	10.7
Netherlands	AEX	888.31	9.02	1.03	12.9
Norway	Oslo Bors All-Share	1602.95	5.26	0.33	5.5
South Africa	FTSE/JSE All-Share	81441.63	76.74	0.09	5.9
Spain	IBEX 35	11272.80	99.80	0.89	11.6
Sweden	OMX Stockholm	971.72	11.21	1.17	7.6
Switzerland	Swiss Market	11980.64	72.40	0.61	7.6
Turkey	BIST 100	9699.56	-71.60	-0.73	29.8
U.K.	FTSE 100	8270.84	89.37	1.09	7.9
U.K.	FTSE 250	20650.88	156.88	0.77	4.0
<b>Asia-Pacific</b>	<b>MSCI AC Asia Pacific</b>	<b>180.00</b>	-2.00	-1.10	6.3
Australia	S&P/ASX 200	7988.10	-25.28	-0.32	5.2
China	Shanghai Composite	2736.49	-29.32	-1.06	-8.0
Hong Kong	Hang Seng	17196.96	-247.34	-1.42	0.9
India	BSE Sensex	81559.54	375.61	0.46	12.9
Japan	NIKKEI 225	36215.75	-175.72	-0.48	8.2
Singapore	Straits Times	3496.53	42.06	1.22	7.9
South Korea	KOSPI	2535.93	-8.35	-0.33	-4.5
Taiwan	TAIEX	21144.44	-290.75	-1.36	17.9
Thailand	SET	1431.13	3.49	0.24	1.1

Sources: FactSet; Dow Jones Market Data

### Percentage Gainers...

Company	Symbol	Close	Net chg	% chg	High	52-Week High	Low	% chg
Summit Therapeutics	SMMT	19.14	6.87	<b>55.99</b>	21.50	1.56	1074.2	1.5
Aligos Therapeutics	ALGS	19.43	6.92	<b>55.32</b>	30.00	8.71	-6.9	20.71
SiNtx Technologies	SINT	4.36	1.54	<b>54.61</b>	212.00	2.75	-97.8	212.00
Instil Bio	TIL	21.99	7.74	<b>54.32</b>	23.72	6.07	138.2	23.72
Relay Therapeutics	RLAY	9.51	3.27	<b>52.40</b>	12.14	5.70	-3.0	12.14
Applied Digital	APLD	6.58	2.03	<b>44.62</b>	8.65	2.36	26.3	8.65
JBDI Holdings	JBDI	23.00	5.62	<b>32.34</b>	24.10	4.60	...	24.10
Bicycle Therapeutics ADP	BCYC	26.36	5.82	<b>28.33</b>	27.24	12.54	15.5	27.24
GrShr 2x Long PLTR Daily	PTIR	31.53	6.95	<b>28.28</b>	31.68	23.44	...	31.68
Trevena	TRVN	5.10	1.11	<b>27.82</b>	25.75	3.35	-72.8	25.75
Primega Group Holdings	PGHL	14.94	3.19	<b>27.15</b>	14.94	3.60	...	14.94
Sagimet Biosciences	SGMT	3.15	0.63	<b>25.00</b>	20.71	2.13	-74.7	20.71
Foghorn Therapeutics	FHTX	9.37	1.					

# Chasing the Vote

## The Battlegrounds



# WSJ

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THE WALL STREET JOURNAL.

BIGGEST 1,000 STOCKS

How to Read the Stock Tables
The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are consolidated from trades reported by various market centers...

Table of the 1,000 largest stocks by market cap, including columns for Stock, Sym, Close, and Chg. Includes major companies like Microsoft, Amazon, Apple, and Google.

Monday, September 9, 2024

Table of stock prices and changes for Monday, September 9, 2024. Includes columns for Stock, Sym, Close, and Chg. Lists various companies like AON, AEM, AEF, etc.

Monday, September 9, 2024

Table of stock prices and changes for Monday, September 9, 2024. Includes columns for Stock, Sym, Close, and Chg. Lists various companies like BioMarinPharm, BlackRock, Blackstone, etc.

Monday, September 9, 2024

Table of stock prices and changes for Monday, September 9, 2024. Includes columns for Stock, Sym, Close, and Chg. Lists various companies like RBC Bearings, Regal, Regis, etc.

Key Interest Rates

Table showing key interest rates for various terms (6-month, 1-year, 2-year, 3-year, 5-year) and commercial paper rates.

Treasury yields (secondary market)

Table showing secondary market Treasury yields for various terms (1-month, 3-month, 6-month, 1-year, 2-year, 3-year, 5-year, 10-year, 20-year, 30-year).

Discount window primary credit

Table showing discount window primary credit rates for various terms (5.50, 5.50, 5.50, 5.50).

Treasury yields at constant maturities

Table showing Treasury yields at constant maturities for various terms (1-month, 3-month, 5-year, 10-year, 20-year, 30-year).

Exchange-Traded Portfolios

wsj.com/market-data/mutualfunds-etfs

Table of Exchange-Traded Portfolios (ETFs) with columns for ETF, Symbol, Price, and Chg. Lists various funds like iShares, SPDR, etc.

Exchange-Traded Portfolios

wsj.com/market-data/mutualfunds-etfs

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Table of Exchange-Traded Portfolios (ETFs) with columns for ETF, Symbol, Price, and Chg. Lists various funds like SPDR, Vanguard, etc.

New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities...

Table of New Highs and Lows for various stocks, including columns for Stock, Sym, 52-Wk Hi/Low, and Chg. Lists companies like NNN REIT, AMT, etc.

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BUSINESS & FINANCE

# CEOs Focus Less on Sustainability

AI, growth, inflation and geopolitics were all judged more important in survey

By YUSUF KHAN

Sustainability and other environmental issues are dropping down the list of priorities for chief executives, even as consumer climate concerns are on the rise, according to a new report.

Artificial intelligence, growth, inflation and geopolitical uncertainty are now the top issues for CEOs as they plan their strategies, Bain & Co. said in a report out Monday. At the same time, 60% of consumers are more concerned about climate change than they were two years ago, mainly because of their own personal experiences of extreme weather, the report found.

“When you look at the importance of [environmental, social and corporate-governance efforts], you can clearly see a huge peak in 2021 to 2022 where there was also a lot of action off the back of” the Glasgow COP26 climate conference in 2021, said Torsten Lichtenau, Bain’s global carbon transition practice lead. “Now it’s dropped back to 2019 levels.”

Lichtenau said that many companies set hugely ambitious goals when it came to climate and ESG in past years, and are now becoming more realistic when setting targets, noting how hard and expensive it is to actually decarbonize. “If you look at the journey, you go through the part



The Bain report found consumers’ climate concerns are growing. The 2021 U.N. Climate Change Conference in Glasgow.

of where you have huge ambitions setting goals and then you have a drop down, and then back to a more realistic way to drive it,” he said.

Many companies have been less vocal about ESG and some have even given different names to such efforts. **BlackRock**, for example, is calling its tactic for investing in clean energy transition investing. A recent analysis by WSJ Pro found that company boards are mentioning sustainability in their financial reports almost as much as ever, but are

talking about it less in earnings calls and marketing materials.

A report from Barclays in August showed that clients have withdrawn a net \$45 billion from ESG equity funds since the start of the year, with this year being the first that flows have trended negative.

However, Bain said that customers and business-to-business companies are demanding more when it comes to sustainability, with 36% of the latter saying they would

switch suppliers if they didn’t meet their sustainability expectations.

The report also highlighted that just over one-third of businesses were missing their Scope 1 and 2 targets—emissions that relate directly to their own businesses and activities—while more than half were missing their Scope 3 targets, which relate to supply-chain emissions.

Lichtenau said investors would be unlikely to penalize a company that missed its

targets if it was still making attempts to decarbonize and setting more realistic targets.

“People are getting more realistic, but the pressure will increase as we approach 2030 where many companies have set climate goals,” he said.

The Bain report also found that Generation Z consumers, usually defined as those born between 1997 and 2012, were more interested in sustainability and willing to pay premiums for goods and services that met with their own beliefs.

# OCI Global Sells Its Methanol Business to Methanex

By P.R. VENKAT

**OCI Global** has agreed to sell its methanol business for \$2.05 billion, as part of the Netherlands-based company’s continuing efforts to pare debt. OCI said Monday that it has agreed to sell the methanol business to **Methanex** in a cash and share deal.

Under terms, OCI will receive \$1.15 billion in cash and 9.9 million common shares of Vancouver-based Methanex, one of the world’s largest suppliers of methanol.

After the deal, OCI will hold about a 13% stake in Methanex and become its second-largest shareholder.

OCI has been divesting its assets and has so far cumulatively raised \$11.6 billion in gross proceeds.

“Proceeds will be prioritized to reduce OCI holding company gross debt significantly and to return capital to shareholders,” it said.

The transaction is expected to close in the first half of 2025, subject to regulatory approvals.

OCI’s operations are spread across four continents and comprise approximately 13.5 million metric tons per year of hydrogen-based products, including nitrogen fertilizers, methanol, biofuels, diesel exhaust fluid, and melamine.

Morgan Stanley was OCI’s financial adviser.

# Norfolk CEO To Depart

Continued from page B1  
out on millions of dollars in compensation.

Clawing back executive pay has become more common in recent years, and most companies have policies to recoup pay in certain circumstances.

Bernard Looney abruptly resigned last year as CEO of

BP over what the British energy company described as past relationships with colleagues, losing out on as much as \$40.6 million in compensation he might have received.

McDonald’s ousted Steve Easterbrook as CEO in 2019 after he had a consensual relationship with an employee, and the former executive in 2021 agreed to return compensation valued at more than \$105 million to resolve a legal dispute related to his dismissal as head of the fast-food chain.

—Colin Kellaher contributed to this article.



The board is investigating an alleged relationship between Alan Shaw and an employee.

# Permira Lifts Its Offer for Squarespace To \$7.2 Billion

By MICHAEL SUSIN

**Squarespace** and Permira said Monday they reached an agreement to increase the buyout offer price to take the website-development company private, amid criticism about the deal.

Under terms of the deal, Squarespace shareholders will now receive \$46.50 for each share they own, an increase of 5.7% over the previously agreed offer price of \$44 a share announced in May.

The deal brings the transaction value to around \$7.2 billion from the previous bid of more than \$6.6 billion.

Permira’s new offer comes amid calls against the deal. On Sept. 6, Reuters reported proxy advisory firm Institutional Shareholder Services recommended investors vote against the offer, saying it didn’t value Squarespace’s operational performance and outlook.

On Aug. 13, investment manager Glazer Capital said it would vote against the acquisition after considering the previous offer inadequate as it materially “undervalues” Squarespace. Glazer Capital holds around 5.4% of the shares owned by minority shareholders.

The revised transaction was unanimously approved and recommended by the special committee of Squarespace’s board, and all existing rolling shareholders have agreed to roll at the revised offer price, it added.

Squarespace previously said going private offers the company flexibility and resources.

# Back Market Hires Ex-Sonos CMO Amid Expansion

By KATIE DEIGHTON

Joy Howard spent years persuading consumers to buy brand-new electronics. Now she has to convince them that secondhand is the way to go.

Electronics marketplace Back Market has hired Howard, former chief marketing officer of speaker-maker Sonos and ride-sharing app Lyft, as its first permanent CMO.

She is tasked with expanding the Paris-based company across the world, leading a global marketing team of just under 100 employees working in branding, design, advertising, user experience and communications.

Back Market began in 2014 as an online marketplace for European consumers to buy verified, refurbished consumer tech and appliances, and has since expanded to 18 countries including the U.S. and Japan. Refurbishers and brands sell to consumers through Back Market, paying the company a commission on each sale. Buyers only interact with Back Market, however, unlike platforms such as eBay where sellers

operate stores under their own names.

Company revenue grew 45% in 2023 to 320 million euros, equivalent to about \$355 million, the company said.

Howard’s hire comes as Back Market angles to speed its growth further.

The company initially relied

on digital advertising and word of mouth among deal seekers and members of the right-to-repair movement, which argues against tech companies’ stipulations that only they or authorized providers can perform repairs. Back Market now wants to compete more broadly with

retailers and tech companies for consumers’ electronics business.

The company will increase its investment in certain strategic markets, including Germany, Japan and the U.S., by double digits over the next year, Howard said, declining to disclose specific figures. It will also invest in marketing analytics systems to make sure it understands what kind of ads and ad venues work best, she added.

Advertising across cities’ public transportation systems will raise the brand’s visibility, Howard said.

Howard briefly touched upon the secondhand economy at Patagonia, where she introduced the Worn Wear garment recycling and rejuvenation program as vice president of marketing between 2013 and 2015. She most recently started a streetwear brand, Early Majority, that she sold this year to co-living company Mason & Fifth.

At Back Market, Howard takes over from interim CMO Seth Farbman, a former Spotify marketing chief who



Joy Howard is tasked with expanding the company.

# SEC Fines Seven Companies for Whistleblower-Protection Violations

By MENGQI SUN

The Securities and Exchange Commission has continued its crackdown on companies over language in their employment and separation agreements that could discourage whistleblowers from coming forward.

On Monday, the SEC fined seven public companies—in industries ranging from healthcare to software—more

than \$3 million combined, alleging their employment, separation and other agreements contain confidentiality clauses that violated SEC whistleblower-protection rules, including requiring employees to waive their right to possible whistleblower monetary awards.

Among the companies, behavioral healthcare services provider **Acadia Healthcare** received the largest fine in

Monday’s settlement, agreeing to pay nearly \$1.4 million in civil penalties. Software provider **AppFolio** followed, agreeing to pay \$692,250 in civil fines, while fashion retailer **a.k.a. Brands Holding** said it would pay \$399,750 and credit-reporting agency **TransUnion**, \$312,000.

Also fined were **LSB Industries**, **IDEX** and **Smart for Life**.

The SEC said the seven

firms agreed to comply with whistleblower-protection rules going forward and have taken steps to remediate the issues, including by making changes to their relevant agreements.

A spokesman for Acadia Healthcare said it “understands the importance of regulatory requirements and worked quickly to resolve this issue with the SEC.”

A spokeswoman for TransUnion said the settlement “re-

flects the seriousness with which we take our commitment to regulatory compliance,” adding that the firm is making voluntary changes to ensure employees and contractors better understand their rights and responsibilities.

Representatives for AppFolio and a.k.a. Brands didn’t respond to requests to comment.

Monday’s settlements are

part of a sweep by the SEC over the past few years into companies’ use of confidentiality provisions and nondisclosure clauses in their various employment contracts. A watershed moment came last September, when the SEC fined hedge fund D.E. Shaw \$10 million.

The SEC recently expanded the investigation into companies’ use of confidentiality agreements with clients.

MARKETS

Industrials and S&P 500 Increase More Than 1% to Start the Week

By KAREN LANGLEY AND CAITLIN MCCABE

U.S. stocks rallied Monday, recouping some of last week's losses as investors looked ahead to fresh inflation data.

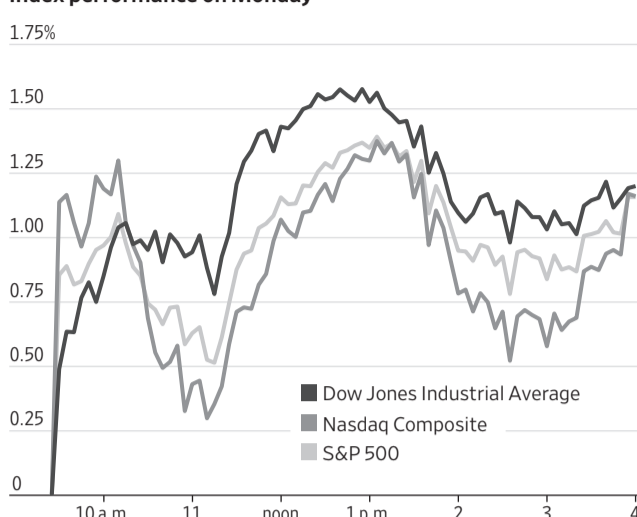
The advance was broad-based, with all 11 of the S&P 500's sectors gaining ground.

That lifted the U.S. stock index to a 1.2% gain. The Dow Jones Industrial Average climbed 1.2%, or about 484 points, while the tech-heavy Nasdaq Composite gained 1.2%.

Investors are focused on data that could influence the Federal Reserve's plans for interest-rate cuts. The headline release this week will be consumer inflation data on Wednesday, with producer-price numbers on Thursday.

Traders are coalescing around the idea that the rate-cutting will commence next

Index performance on Monday



Source: FactSet

week with a quarter-percentage-point reduction after Friday's jobs report wasn't viewed as weak enough to lock in a larger cut.

The consumer discretionary, industrial, technology and financial sectors were the S&P 500's top performers, gaining 1.4% or more.

Elsewhere:

The 10-year Treasury yield slipped to 3.698%, its lowest 3 p.m. yield since June 2023, from 3.710% on Friday. It continued to trade higher than its two-year counterpart, meaning the yield curve remained un-inverted.

Oil prices rose. Global benchmark Brent crude rose 1.1% to \$71.84 a barrel.

AUCTION RESULTS

Here are the results of Monday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

Table with 3 columns: Applications, Accepted bids, Auction price (rate). Rows include 13-Week and 26-Week Treasury bills.

Both issues are dated Sept. 12, 2024. The 13-week bills mature on Dec. 12, 2024; the 26-week bills mature on March 13, 2025.

STOCK SPOTLIGHT

Palantir Technologies and Dell Technologies The companies will join the S&P 500, S&P Dow Jones Indices said late Friday. Palantir rallied 14%, while Dell gained 3.8%.

Boeing The jet maker reached a deal with its largest union, aimed at preventing a crippling strike. Shares rose 3.4%.

Apple The tech giant's shares added less than 0.1% after it introduced the iPhone 16, with upgraded Siri, AI text editing and photo-generation tools.

Alphabet A federal-government antitrust lawsuit starts against Google—the second such case in less than a year. Alphabet shares fell 1.3%.

Nvidia Shares of the artificial-intelligence darling advanced 3.5%. That put the stock on pace to recoup some of last week's 14% loss.

Coinbase and MicroStrategy Bitcoin rebounded somewhat Monday, after falling as low as \$52,605 over the weekend. Cryptocurrency-linked stocks advanced, with Coinbase rising 5.2% and MicroStrategy climbing 9.2%.

Trump Media & Technology Group Shares in the parent company of social-media platform Truth Social gained 5.5%. On Tuesday, former President Donald Trump and Vice President Kamala Harris will debate for the first time.

Norfolk Southern The railroad is looking into potential misconduct by Chief Executive Officer Alan Shaw, who recently withstood an activist investor's push to unseat him. Norfolk shares increased 2.7%.

TUESDAY'S EXPECTED EARNINGS: Academy Sports and Outdoors GameStop

Can Venture Capital Keep Itself Afloat?

By YULIYA CHERNOVA

The normal recycling of money through the venture capital ecosystem has dammed up like never before.

Returns on venture investments—in the form of initial public offerings or sales of startups—have been so light that outside investors, or limited partners, are no longer getting enough from those bets to sink new money into venture funds. LPs, which make commitments to venture funds, are straining to meet their cash obligations to fund managers—who then have trouble raising their next fund.

“The money is not making the round trip,” said Marc Cadieux, president of Silicon Valley Bank. “That is impacting investors' willingness and appetite for the venture asset class.”

The amount of capital LPs are being asked for to meet their commitments to venture funds now exceeds the amount they are seeing back on investments. The ratio between the two reached a peak of 4.5 times at North American venture firms at the end of 2023—up from parity the previous year, according to a report by Silicon Valley Bank, a division of First

Citizens Bank. According to the data, the liquidity crunch at LPs is even greater than after the 2000 dot-com crash. LPs include family offices, foundations, pension funds and others that invest in venture funds.

“The liquidity issue is real, as limited partners are at least partially dependent on incoming liquidity to satisfy capital calls,” said Samir Kaji, chief executive and co-founder of Allocate, referring to the capital LPs are committed to providing venture funds.

Slow IPO market

The IPO market, one main avenue for investors to see their bets pay off, has ground to a near-halt. Meaningful acquisitions of startups have also become rare, in part because of regulator scrutiny and antitrust concerns. The freeze is being felt in several ways.

First, it is making it harder for venture fund managers to raise new funds. In the first half of this year, just 255 venture funds closed in the U.S., according to the PitchBook-NVCA Venture Monitor. At that rate, 2024 will be the year with fewest fund closes in a decade.

Some venture investors who

might have struck out on their own are deciding against it in today's market. Maria Palma, general partner at Freestyle Capital, said she had considered raising her own venture fund earlier this year after leaving a job at Kindred Capital.

“I wanted to raise \$100 million and lead rounds. I could've gotten it done, but it would've taken three years,” she said of the slog to raise that much money in the current environment. Instead, she joined Freestyle.

The lack of returns on investment is driving LPs to concentrate on just a few fund managers, exacerbating a haves and have-nots dynamic in venture. Several venture-world stalwarts, like Andreessen Horowitz and Thrive Capital, raised mega funds this year, as the rest of the market struggled.

Another result of the skimpy payoffs is a larger secondary market, where venture-fund managers, their investors and others sell stakes in startups and venture portfolios.

Secondary sales of stakes in venture funds and venture-backed companies could total between \$105 billion and \$130 billion, according to the

lofty levels of 2021, according to Hans Swildens, chief executive and founder of Industry Ventures. The firm has raised \$2.6 billion in new funds, mostly dedicated to venture secondaries, since last year.

“LPs that are not able to keep funding their LP commitments are selling them to secondary funds or existing LPs in the venture partnerships,” Swildens said, pointing to one source of secondary business.

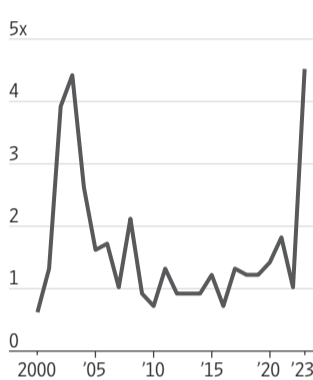
Venture firm Group 11 has arranged sales of stakes in its funds for current investors to new ones, including StepStone Group and Industry Ventures, with a total \$96 million changing hands in the past two years.

A long time to exit

“You get new reputable, institutional, large investors in, and you get investors who are tired out,” said Dovi Frances, general partner at Group 11. The sellers, he said, were mostly high-net-worth individuals who had been with the firm for years. “It takes a longer time to exit and not all people have the patience. And they forget the compounded nature of exponential growth,” Frances said.

The meager returns are

Ratio of capital called to capital distributed for North American venture funds



Source: Silicon Valley Bank, a division of First Citizens Bank

also being felt at startups. Venture managers aren't sure when it will make sense to raise funds again.

Venture funds that began investing in 2022 have been slowest to put money to work, according to a report by Carta. These funds had deployed 43% of their capital in their first 24 months, while funds in the prior three years had spent half or more of their cash by the same point in their life cycle.

At present, signs of a thawing in IPOs or sales are scant.

Rate cuts on the horizon, and a new presidential administration, might juice returns, SVB's Cadieux said. “We'll see what happens next to get things unstuck,” he said.

China Broadens Access for Foreign Investment

China deepened its push to further open up the economy, eliminating restrictions on the manufacturing sector and expanding opportunities for foreign investment in the health sector in an effort to revive growth.

The Chinese government will reduce its list of industries off-limits to foreign investors to 29 from 31 and fulfill its pledge of zero restrictions on the manufacturing sector, the National Development and Reform Commission and the Commerce Ministry said in a joint statement on Sunday.

The new list, set to take effect Nov. 1, removes the requirement for Chinese majority control in publication printing businesses and lifts the ban on investment in Chinese herbal-medicine production.

Since 2019, Beijing has steadily reduced its so-called negative list of more than 100 sectors to attract foreign capital.

China's Commerce Ministry on Sunday also announced plans to further open the nation's healthcare sector.

Foreign investors can now establish wholly foreign-owned hospitals in Beijing, Tianjin, Shanghai, Nanjing, Suzhou, Fuzhou, Guangzhou, Shenzhen and Hainan island, according to the ministry. Acquiring public hospitals and facilities involved in traditional Chinese medicine will remain off-limits.

Additionally, companies with foreign investment are allowed to engage in the development and application of human stem cell, gene diagnosis and treatment technologies in pilot free-trade zones in Beijing, Shanghai, Guangdong and Hainan. All medical products that have been registered and approved by authorities can be marketed for sale nationwide.

Five Point Energy Raises \$1.4 Billion for Infrastructure Bets

By LUIS GARCIA

Five Point Energy has raised roughly \$1.4 billion to back developers of water infrastructure and managers of property that can house new oil fields, data centers and solar-energy plants, seeking to reprise its highly profitable investment in LandBridge, a property acquirer in the Permian Basin it took public in June.

The Houston-based private-equity firm wrapped up Five Point Energy Fund IV above a \$1.25 billion target and has made at least one investment through the new pool, backing Deep Blue Midland Basin last year. The company, a joint venture with energy company Diamondback Energy, operates more than 800 miles of pipelines used for transport-

ing water that is a byproduct of oil-and-gas wells.

Five Point has a 70% stake in Deep Blue, while Diamondback owns the remaining 30%. The firm expects to invest some 40% of its Fund IV capital in the venture, said David Capobianco, Five Point's chief executive and managing partner.

Deep Blue is part of an investment road map that Five Point used about three years ago when it backed Houston-based LandBridge. Through a series of acquisitions, LandBridge has amassed roughly 220,000 Delaware Basin acres in a subregion of the sprawling Permian Basin across parts of West Texas and southeastern New Mexico.

LandBridge seeks to attract oil-and-gas producers as well as data-center and renewable-

energy operators to its properties and overcome the old tension between landowners and infrastructure developers, Capobianco said.

“The historic surface-management strategy was basically one of an antagonistic relationship between the [landowners], typically ranchers, and industrialists,” Capobianco said. “We saw an opportunity to change that paradigm. Instead of being antagonistic toward development, we would buy [land] and be collaborative, enabling the development of all kinds of infrastructure.”

LandBridge posted adjusted pretax earnings of \$23.4 million for this year's second quarter, up roughly 24% from the year-earlier quarter, while revenue rose 20% to \$26 million. The company's shares have climbed more than 80% since it raised about \$271 million in an initial public offering in June. Five Point still owns 75% of the shares, which at current prices, means Five Point has earned about 10 times its investment in LandBridge, a person familiar with the matter said.

In addition to welcoming infrastructure developers,

LandBridge can offer them a precious resource—water—in the arid region thanks to water-infrastructure operator WaterBridge, another Five Point investment. The business's vast pipeline network across the Permian handles more than 84 million gallons of water daily, roughly a third of the total from LandBridge properties, according to an investor presentation.

Overall, FivePoint's holdings manage about 168 million gallons of water a day, according to Capobianco. A midsize, computer-stuffed data center consumes about 300,000 gallons of water daily, or the average consumption of roughly 1,200 Texas homes, to cool its equipment, according to reports by the state and Dutch bank ING Groep.

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Mutual Funds

Data provided by LSE&G

Table of mutual fund listings for Monday, September 9, 2024, including fund names, NAV, YTD change, and returns.

# HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

## The Right Reason to Buy Bonds

Fixed income has regained the haven property that made it desirable for 60/40 portfolios, but other factors matter more

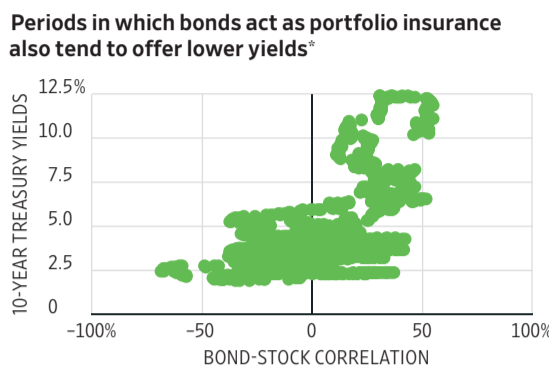
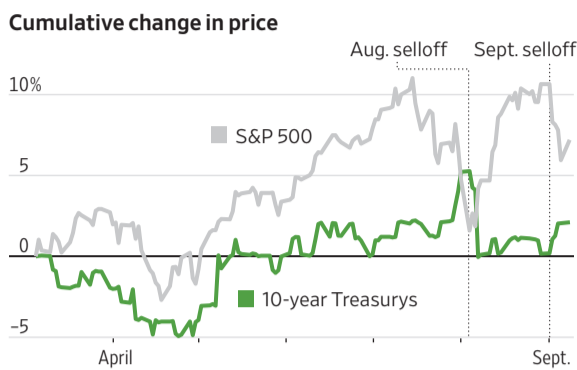
If you buy bonds, make sure you do it for the right reasons. Whereas equity investors have had a bumpy few months, believers in the venerable 60/40 portfolio should be permitted a victory lap: As the S&P 500 delivered a negative 5.1% return between the end of July and Aug. 5, a portfolio consisting of 60% U.S. equities and 40% 10-year Treasuries lost only 2.6%. Then, the 4.2% stock drawdown that happened last week translated into only a 1.9% loss for the 60/40 portfolio.

“Fixed income has finally regained its traditional hedging property,” said Roger Hallam, global head of rates at Vanguard. Nonetheless, the strongest reason to own bonds over the long term is an even simpler one: the income they generate.

Vanguard has long advocated for the benefits of mixing stocks and bonds. Such strategies hark back to the 1950s, when economist Harry Markowitz mathematically made the case that diversification improves risk-adjusted returns. The 60/40 mix has delivered negative total returns on only 23% of the years between 1872 and 2023, compared with 27% for the S&P 500, and shortened lengthy stretches of negative returns, according to calculations derived by data collected by Yale University professor Robert Shiller.

Modern investors intuitively understand why bonds—especially those issued by governments—are an effective diversifier: They rally whenever markets grow concerned about the economy and anticipate central banks cutting rates, which tends to make equities suffer. This is what happened this summer.

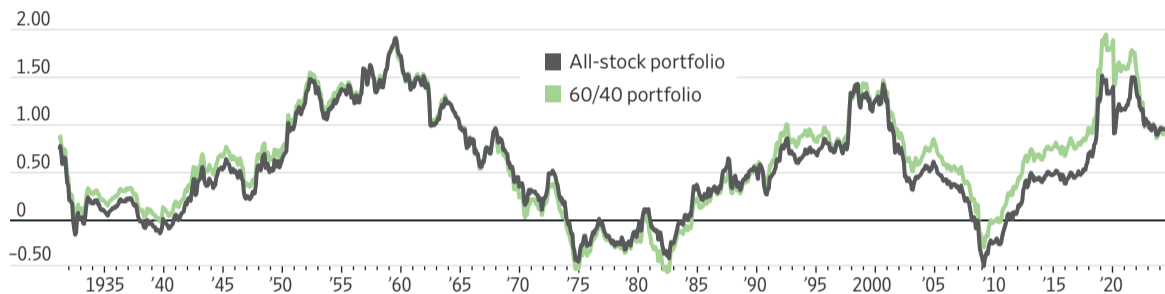
Yet before the 1970s, stock-bond correlations periodically flipped from positive to negative. And for a long stretch between then and the late 1990s, they were consistently positive: As stocks took a beating, so did bonds. This is because inflation was high for much of that period, making central banks reluctant to stimulate the economy. The post-2021 period



**Bonds used to cushion equity routs in the post-1990s period of low inflation...**  
Five-year correlation between monthly changes in the S&P 500 and 10-year Treasuries



**...and allowed 60/40 portfolios to deliver greater risk-adjusted returns**  
Sharpe ratio, 10-year rolling



\*Monthly data between 1871 and 2024.  
Note: Portfolios use the S&P 500 and 10-year Treasuries.

Sources: FactSet (change in price); Robert Shiller; WSJ calculations

has similarly led many on Wall Street to anticipate the demise of the 60/40 portfolio.

With inflation back under control, however, many are hoping for a return to the “lowflation” regime of the 2010s, when bonds were great cushions against volatility. This was the heyday of the 60/40 mix: Its risk-adjusted returns—measured by the Sharpe ratio—relative to the S&P 500

were the highest ever.

But here is the problem with relying on 60/40 or similar allocations: Those who aim to retire a few years down the line won’t be able to put bread on the table from risk-adjusted returns.

Times of subdued inflation also tend to be those in which yields are low, which means that people who buy bonds then end up relinquishing a lot of income.

Someone who invested \$1,000 in a 60/40 portfolio in the five years after 2009, for example, ended up with \$1,439 in the bank on average, which is \$1,141 less than someone who just bought the S&P 500. By comparison, the shortfall during the positive-correlation period of 1975 to 1980 was only \$561.

Of course, post-2008 investors still did very well in absolute

terms. Equity performance then was so exceptional that the 60/40 mix made as much money as a 100% equity portfolio has returned on average since 1871. But those who have to invest now probably won’t be so lucky: Unless artificial-intelligence bets pay off handsomely, the big boom of the technology giants won’t happen again.

None of this implies shunning bonds. Quite the contrary: In the past, buying 10-year Treasuries when yields were above 3% or as the yield curve uninverted—both of which are currently happening—has worked handsomely, delivering basically the same 10-year returns as an all-stock portfolio.

What investors need to shed is the frame of mind that entrenched itself after the global financial crisis, when bonds were bought not for coupons but to benefit from price increases during volatile days or as a result of the Federal Reserve embarking on loosening cycles. Historically, buying fixed income based on these factors has at best delivered short-term gains.

As Willem Sels, global chief investment officer at HSBC Global Private Banking, puts it: “The longer you go in your investment horizon, it is increasingly all about the entry point.”

Does it matter that the Fed is set to cut borrowing costs on Sept. 18, and that this may put an end to extra-high deposit and money-market rates? Yes, but mostly in the sense that bonds currently offer high returns that investors may want to lock in. Long-maturity U.S. investment-grade paper yields above 5% with little default risk. With equity valuations stretched across the board, this is particularly attractive for those with investment horizons of five to 10 years.

Thinking about it in these terms, rather than sticking to 60/40 under all circumstances, makes sense for most investors. Reducing the short-term volatility of a portfolio is rarely worth having a much smaller nest egg.

—Jon Sindreu

## A Super Stroke of Luck For Small-Cap Investors

Small-cap stocks have had a tough year. It could have been worse.

By far the most-followed benchmark of U.S. small companies is the Russell 2000. Based on size and free float alone, what it offers in transparency it loses in effectiveness. Because many “junk,” unprofitable companies make the cut every year, the index has trailed a competing small-cap measure by around 700 percentage points in the past 30 years.

But sometimes people following the index catch a lucky break. Between the beginning of this year

and the index’s reconstitution, it rose by 1.7%, lagging behind the large-cap S&P 500 by a whopping 13.4 percentage points before dividends. That doesn’t sound lucky, but the Russell was boosted greatly by two companies that had become too large but remained components: AI darling Super Micro Computer and bitcoin proxy MicroStrategy.

The two stocks, representing one-tenth of a percentage point of the 2000 or so stocks in the index, accounted for one-third of its gain in the first quarter according to LSEG. Their return dwarfed even

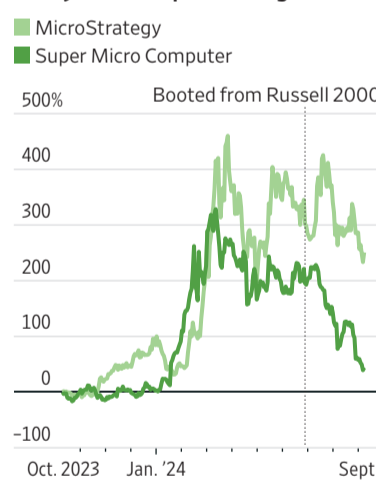
that of Nvidia. They were by then far larger than the \$4.6 billion cut-off, but remained in the index for another three months.

What has happened since then has been less pleasant.

One June 28, they were among 27 companies that graduated to the Russell 1000. Since the day before reconstitution, Super Micro shares have shed 54% of their value.

The impact that had on large-cap indexes was minimal—it has much bigger fish to fry—but the plunge would have been devastating for the small-cap index, com-

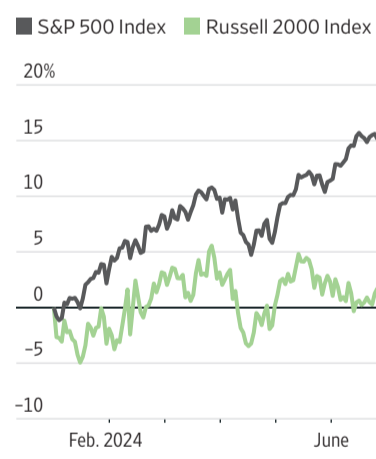
**One-year stock price change**



Source: FactSet

ing from by far its largest component. One shortcoming of the Russell 2000 that gets mentioned less frequently is losing the best

**Performance from start of 2024 through Russell Reconstitution**



performers as they graduate. In this case investors tracking it dodged a bullet.

—Spencer Jakob

## A Better Drug Than Merck’s Blockbuster Keytruda? Not So Fast



Over the weekend, data was published on a potential rival to Merck’s Keytruda. A Merck booth at a China event.

Merck’s cancer immunotherapy Keytruda is the drug industry’s biggest blockbuster, bringing in \$25 billion in sales last year. For years drug companies have sought to beat the therapy to no avail.

Over the weekend, biotechnology company Summit Therapeutics published data showing that it could be the one to finally topple King Keytruda.

Summit stock jumped 56% Monday, bringing its gains over the past 12 months to about 1,100% and giving it a \$13 billion market capitalization.

Summit reported data from a late-stage study that showed that its drug, ivonescimab, beat Keytruda as a first-line treatment option in patients with advanced non-small-cell lung cancer. Patients taking Summit’s drug went a median 11.1 months before their cancer returned versus just 5.8 months for Keytruda.

The trial data are certainly very exciting for Summit and for cancer patients, but that doesn’t mean Keytruda is about to be replaced anytime soon. For starters,

the trial was held in China, so more data from a global trial will be needed for approval in the U.S. Additionally, notes BMO analyst Evan Seigerman, the results are for advanced non-small-cell lung cancer while Keytruda “has a very large amount of data” for multiple tumors. Another wrinkle is that Summit’s data didn’t address the overall survival metric, which measures how long a patient lives after starting treatment.

And it might not matter for Merck investors—Keytruda is going off patent in a few years anyway. By the time Summit can introduce a drug in the U.S., Keytruda would likely be past its sales peak. Merck stock lost 2.1% on Monday.

Summit’s drug does underscore the fact that Merck is facing some bumps to its top products, though. One way or another, Keytruda is likely to face pressure later this decade. That means Merck has to continue to do everything it can to reduce its reliance on the blockbuster product.

—David Wainer